Daily Report

Latin America

FBIS-LAT-87-203
Wednesday
21 October 1987

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Cuba

Castro Meets With Iranian Foreign Minister

FL201238 Havana Tele-Rebelde Network in Spanish 1200 GMT 20 Oct 87

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers of Cuba, has received his excellency Dr 'Ali Akbar Velayati, foreign minister of the Islamic Republic of Iran. Various aspects of the international situation were discussed, especially the serious situation created by the recent U.S. attack against two Iranian oil platforms in the Arab Persian Gulf. The status of bilateral relations and plans to develop them were also examined.

U.S. 'Attack' Condemned

LD201127 Tehran IRNA in English 1033 GMT 20 Oct 87

[Text] Tehran, Oct. 20, IRNA—Foreign Minister 'Ali Akbar Velayati in a meeting with Cuban President Fidel Castro Monday night urged the Non-Aligned Movement [NAM] to review Persian Gulf developments in an extraordinary meeting and condemn the U.S. for its blatant Monday aggression against Iran.

He said that the U.S. entered the Persian Gulf on the pretext of supporting Kuwaiti tankers and for preserving shipping security in the international waters, whereas it was crystal clear from the very outset that the U.S. military moves were all aimed at countering the Islamic Republic.

Velayati said it is now proved to the world that the U.S. adventurism has but only precipitated the region into an even more critical situation likely to involve even Third World and the non-aligned countries.

During the three and a half hour meeting Foreign Minister Velayati said U.S. provocations in the Persian Gulf may well culminate in "an explosion in the region" engulfing each and every state and nonetheless [as received] the U.S. allies in the Persian Gulf.

Foreign minister Velayati stressed that the Islamic Republic will firmly stand to U.S. provocations and will not relinquish its efforts to thwart these plots and repulse foreign forces from the region.

President Castro said in response that the U.S. Administration would pay a high cost for its aggression.

Warning world people of the present situation in the Persian Gulf, the Cuban president said that regional countries and even the Soviets were concerned about the aftermath of U.S. provocations.

Stressing U.S. panic of reprisal [as received] of the Islamic Republic, Castro said that the U.S. attack on Iranian platforms in fact had created economic crisis in New York and London.

On the stance of the Non-Aligned Movement members, Castro said that all the NAM members should be mobilised to show a suitable reaction to this U.S. aggression. Certainly, he predicted many world countries will condemn this U.S. act.

In conclusion, the two sides described the signing of a letter of understanding between the two countries as "effective" and called for an early meeting of the first Iran-Cuba commission on expansion of mutual relations. They also called for strengthening of relations in various fields.

In another development, Cuban Foreign Ministry in a statement Monday condemned U.S.'s Monday aggression in the Persian Gulf as another indication of U.S. Administration's disrespect to international laws and to the world opinion and especially those of the Third World.

The statement also said that Cuba considers futile the efforts of U.S. Administration, and that its allies aimed at procrastinating U.S. military presence in the region which is considered as a big threat to the security and independence of regional countries.

It further said that the U.S. embarked on a new aggression against a non-aligned country simultaneously with recent efforts of U.N. secretary general for ending the Iraq-Iran war, and that the attack has aggravated Iraq-Iran conflict and the tension in the region.

Foreign Minister Velayati arrived in Havana Sunday heading a delegation. He is also to visit Nicaragua.

Soviets Cooperating in Modernizing Havana Port

PA210414 Havana International Service in Spanish 1600 GMT 20 Oct 87

[Text] Yuriy Bystrov, deputy minister of the USSR Fish Industry Ministry, has said that his country is cooperating in the improvement and modernization of Havana port, which will be concluded in 1990.

Bystrov hosted an exclusive news conference for the *Novosti* news agency on the occasion of the 25th anniversary of the signing of the fishing agreement between Cuba and the USSR. The Soviet deputy minister emphasized Cuba's achievements in the fishing industry, and pointed out that the production and consumption per capita of Cuba more than tripled after the victory of the revolution.

USSR Youth Festival Begins in Pinar del Rio

FL192035 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 87

[Report by Cabrera Peinado]

[Text] The fourth Cuba-USSR youth friendship festival was inaugurated yesterday in Pinar del Rio with a brilliant event attended by more than 50,000 people. Prior to the inauguration, and during a ceremony to welcome the youths from the brother country, the festival's flag was raised at the Pinar del Rio Hotel, site of the festival. During the event, Petras Ignotas, secretary of the Central Committee of the all-union Komsomol, said that the festival will also mark the 70th anniversary of the Great October Socialist Revolution and the 29th anniversary of the Cuban revolution.

Meanwhile, Roberto Robaina, member of the PCC Central Committee and first secretary of the Union of Young Communists, said that events like this one help to strengthen the ties of friendship between the countries. Robaina recalled that many years ago, from a port in Matanzas, Julio Antonio Mella was the first to promote these relations when he sent a message to the (*Borovichi*), a Russian revolution ship. Robaina added that Pinar del Rio was not chosen to host this festival by chance. It was chosen because in 1896, three Soviets joined the Rios Rivera expedition in this area and went on to fight for Cuba's independence, and because of the province's noteworthy advances in the construction of socialism.

Rodriguez, GDR's Kleiber Preside Over Ceremony

FL201638 Havana Radio Progreso Network in Spanish 1200 GMT 20 Oct 87

[Text] The vice presidents of Cuba and the GDR, Carlos Rafael Rodriguez and Gunther Kleiber, have presided over a ceremony in which the GDR received the one millionth integrated circuit exported by Cuba. The event was characterized as a friendship bridge between two important electronic industries from those countries.

Duarte Overlooks Rebels' Peace Moves

PA181610 Havana International Service in Spanish 0000 GMT 18 Oct 87

["Special Commentary" from SALPRESS-NOTISAL news agency by Carla Rodriguez]

[Text] During his current U.S. tour as Salvadoran chief of state, Napoleon Duarte gave proof of his unquestioning adherence to that country's policy by kissing the U.S. flag.

Part of Duarte's speech before Congress and newsmen was devoted to praising the U.S. pressure tactics against Nicaragua to force that country to negotiate with the mercenary forces, as well as to presenting himself as El Salvador's foremost defender of peace.

Duarte, who served as part of the government junta in 1980 and since 1984 has ruled as president, portrayed his administration as being totally good, and forgot his part of the blame for the more than 60,000 dead, 7,000 missing,and 1 million war refugees and displaced persons in the 7 years of war.

The Salvadoran ruler charged the FMLN-FDR with war-mongering because of their refusal to surrender unconditionally and join the alleged democratic process led by him. Duarte forgot to mention the many attempts and proposals set forth by the Salvadoran rebel forces who have, since 1980, proposed talks and negotiations six times, as well as having requested other countries' mediation 22 times, in order to find a solution to the war.

Moreover, Duarte also forgot his own reaction to the dialogue proposed by the guerrillas. On 27 November 1980 Napoleon Duarte, as chief of the government junta, issued a call to dialogue. Two days later the FDR national directorate members were captured and assassinated. In 1981 the Socialist International proposed that its president negotiate with the U.S. Government in the search for a political solution. In 1982, the UN Human Rights Commission demanded elections in El Salvador be postponed for lack of proper conditions and supported a negotiated agreement between the FMLN-FDR and the government.

In July 1983, there was a meeting in Bogota, Colombia, between U.S. Special Envoy Richard Stone and an FMLN-FDR delegation. That was tacit recognition of the rebel forces' presence in El Salvador.

One of the most significant actions in this long list of peace attempts on the part of the insurgent fronts was the effort made through Costa Rican President Oscar Arias, which culminated in the meeting held 4 October.

Napoleon Duarte apparently suffers from amnesia. He has achieved in El Salvador the U.S. style democracy he had promised Reagan, but his amnesia has prevented him from realizing the popular suffering, and has alienated him from the man in the street, who has continued to protest, notwithstanding repression and death.

It is not by coincidence that Ruben Zamora said the biggest obstacle to achieving peace in El Salvador is the fact that the government responds to Washington's interests and not to the interests of the Salvadoran people.

OTHER COUNTRIES

Haiti

Aristide Blames U.S. for Country's Situation

FL202340 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 19 Oct 87

[Text]Father Aristide wrote an open letter to Peter Whaley, second secretary of the U.S. Embassy in Port-au-Prince, on 17 October, the week Yves Volel died. We will read you the letter.

Mr Whaley: When you came to meet with me at my house on Thursday, 1 October 1987, I seized the opportunity to serve you several slices of the cake of truth; namely, first of all, that here in Haiti, we children of Charlemagne Peralte are not U.S. Government dependents.

Secondly, the U.S. Government has no right to stick its nose into Haitian elections.

Third, the U.S. Government is responsible for the criminal acts of the Macoute National Government Council [CNG]—because the U.S. Government tolerates it, giving it money and weapons.

Fourth, your government is responsible for this discouragingly miserable, holy mess and the inappropriate, schizophrenic policy [politik degrenngoch] from which we have never been able to free ourselves.

Fifth, the government is blameworthy because it supports an Army which inspires fear and terror and which murders people both at night and in broad daylight.

Even after you served yourself those slices of truth, people continued to die, innocents continued to howl and the guilty parties continued to operate.

On Tuesday, 13 October, Yves Volel was felled by Macoute bullets, while wearing his lawyer's toga and carrying the nation's Constitution under his arm, in full view of the National Palace, right in front of the General Headquarters of the Port-au-Prince Police.

Your government's tolerance makes it an accomplice, Father Aristide says in the letter he sent the second secretary of the U.S. Embassy in Port-au-Prince. Blood continued to flow unceasingly from the tap. The stream of blood became a river of blood. We are struggling to prevent that river of blood from becoming a sea of the blood of innocents. That is why I cannot today stop myself from saying to you, first, that if the blood of innocents continues to flow, all civilized governments should condemn your government for being a barbarous government.

Father Aristide adds: If there are persecutions, arrests and murders of Yves Volel's family, partisans, or friends, all governments that desire peace will have to condemn your government for being a terrorist government. If there is persecution in the slums of Port-au-Prince, as happened in the Grande Anse area in connection with the Sansaricq affair and in Gonaives in connection with the Jean Tatoune affair, all governments which defend human rights will have to condemn your government for being a fascist government. Fourth, [as heard] if the Macoute candidates rise up craftily and declare war and lay the Constitution to rest, effect another coup d'etat, all self-respecting governments will have to condemn your government for being a blood-thirsty government.

Mr Whaley, at that 1 October meeting, when you asked me to send the people out to vote massively—a proposal which I rejected without reservations—you said to me, right then and there: Well, my ears are Reagan's ears. That means there is no way that these words can fail to fall directly into the ears of your boss. Don't forget to tell him what I said before: We children of Dessalines and Charlemagne Peralte have sworn 7 times 77 times over that we will be no one's dependents. If your government is the cause of our death, the generations which will blossom on our corpses will not tolerate the U.S. imperialists' coming to sunbathe in the Haitian sun in order to corrupt us.

Mr Whaley, I repeat: I respect you as a person, but I condemn the role of accomplice you are playing in your government. In solidarity with all the Haitian diaspora who are marching on Washington on 17 October 1987 to ask your country not to meddle in the affairs of Dessaline's nation, I, Charlemagne Peralte [as heard] greet you as an individual. I do not greet you as an official of the U.S.Government. And it is as an individual and not as a U.S. government official that I salute you, (?for) Dessalines, in the name of Antoine Turel, Yves Volel, and all the other victims who have fallen since 7 February 1986.

Signed: Saturday, 17 October 1987, festival of Dessalines, Father Jean Bertrand Aristide.

Presidential Candidate Bazin Interviewed

FL202006 Bridgetown CANA in English 1839 GMT 20 Oct 87

[Excerpts] Bridgetown, Barbados, Oct 20,CANA—Concerns about violence, American influence and the intentions of people who supported ousted dictator Jean-Claude Duvalier are mounting as Haitians gear for a November 29 general election.

Presidential candidate Marc Bazin said the United States was supporting the movement for freedom, democracy and respect for human rights in Haiti, but Washington human rights activist Henri Dubois has questioned the sincerity of the State Department.

Both Bazin and Dubois were interviewed by Canaradio for a new series of programmes on the impoverished Caribbean state.

The U.S. has aligned itself now with the aspirations of the Haitian people for freedom, democracy and social justice, said Bazin, who heads the movement to implement democracy.

But Dubois said: On August 25, when people were being killed all over Haiti, particularly in Port-au-Prince ... the U.S. State Department certified that the government is making progress on human rights.

The activist also complained that the government was ignoring a clause in the new Constitution banning supporters of Duvalier, who fled the country in 1986, and his father, Francois, from holding office for 10 years.

One of the present fears is that the violence will spill over into the election.

Basin said: I don't know yet whether some people are going to try to boycott the elections. I don't know if they are going to disrupt the process. I don't know if they are going to intimidate voters one way or another, especially in the rural areas where there will be very few observers.

It's very difficult to have a clear picture of how the situation will develop over the next six weeks.

PDCH Issues News Release on CEP, Elections

FL202216 Port-au-Prince Radio Nationale in Creole 1300 GMT 20 Oct 87

[Text] In a news release dated 19 October 1987, the Haitian Christian Democratic Party [PDCH] reaffirms its support for the Provisional Electoral Council's [CEP] struggle to organize free and honest elections.

The PDCH note makes reference to certain differences of opinion between the PDCH and the CEP, such as the application of Article 31.1 of the new Haitian Constitution. The PDCH denounces the appearance of many candidates at all levels who had close ties with the 29-year-long Duvalier dictatorship.

The PDCH note says: In order to spare the country a new Duvalierist scourge, the PDCH asks the CEP to not falter in applying Article 291 of the Constitution. In regard to this, the PDCH reiterates to the CEP its full support in confronting all intimidation, threats, and brazen, old-fashioned arrogance exhibited by Duvalierists, who were responsible for the woes and suffering of the Haitian people for over 29 years.

The PDCH note is signed by First Secretary General (Joachim Pierre), Second Secretary General (Alexandre Hasard), and Assistant Secretary General (Menard Charles Oberts).

Military Attend Seminar on Election Process

FL202204 Port-au-Prince Radio Nationale in Creole 1300 GMT 20 Oct 87

[Text] A training seminar for the commanders of Haiti's military districts began yesterday morning at the general headquarters of the traffic department. The president and members of the National Government Council [CNG] and representatives of the Haitian Armed Forces high command were present at the opening of the seminar, which was opened by Colonel Wilton Lherisson.

Col Lherisson said the goal of the seminar was to give all commanders of military districts proper training in the electoral process to enable them to remain neutral and to provide maximum security for the citizenry during the coming elections in Haiti. Col Lherisson added that the role of the Armed Forces is to permit the Provisional Electoral Council, the only body in charge of organizing and supervising the elections, to organize the elections in a fully independent manner.

A member of the Constitutional Assembly, a political economist, and a high-ranking member of the Haitian Armed Forces also addressed the seminar, which is aimed at helping the district commanders assimilate the text of the electoral decree-law and the constitutional articles on the role of the Armed Forces in the electoral process.

All officers will also receive supplementary technical training so that they will be able to remain clear-headed should they be called upon to intervene during elections.

The seminar is in session daily from 1000 to 1400 hours and ends next Thursday.

Costa Rica

Arias Offers To Mediate Panama Situation

PA200136 Panama City RPC Television in Spanish 2328 GMT 19 Oct 87

[Interview with President Oscar Arias by Julio Miller; date and place not given—recorded]

[Excerpt] [Passage omitted] [Miller] Mr President, since Panama and Costa Rica are adjacent to each other, you must be aware of Panama's social and political situation. What is your personal impression, as Costa Rica's president, of Panama's situation?

[Arias] I believe that what we have to do is to begin talks—the same thing that we proposed for El Salvador and Nicaragua. I would propose this for any country with a conflict in which the parties are trying to use ways other than conversation, which is the civilized way to resolve differences, to resolve the conflict. I am certain that I share the sentiment of the Costa Rican people that if dialogue and negotiations exist in Panama we can really achieve peace and these recent violent acts will subside. Here again one needs the ability to compromise, the ability to yield.

If I can add my 2 cents worth, I want you and the Panamanian people to know that we are at your service. If we can mediate in any way, we will be pleased to do so. If we can add our 2 cents worth to achieve a lessening of tension in Panama, we will do so. Costa Rica will do anything and I personally will do everything I can if my action helps to reconcile the Panamanian family. Therefore, I hereby offer to the Panamanian people my personal desire and that of my government and the Costa Rican people to try to again reconcile the Panamanian family.

People's Party Approves 'Unity' Resolution

PA202208 San Jose LIBERTAD in Spanish 9-15 Oct 87 p 3

[Text] One of the most important resolutions adopted by the Central Committee of the People's Party in Costa Rica [PPC]—during a meeting held this weekend in San Jose—was to implement specific measures to strengthen the policy of unity which was approved during the 15th Congress.

Following a lengthy exchange of views which included the participation of approximately 20 comrades, the Central Committee approved a plan to unite leftist and patriotic forces and carry out the proposals presented during the 15th Congress:

"I. Form a commission with the egalitarian participation of all the leftist parties and seek the participation of democratic groups and people interested in carrying out a plan of popular and patriotic unity.

II. The commission should prepare the groundwork for a proposal that allows everyone to analyze and discuss, in a broad and fraternal way, all the possible points of agreement and then prepare a joint plan.

III. Work for real and efficient coordination of our forces concerning the struggle for peace; a negotiated solution to the Central American conflict; solidarity; unity in the labor, peasant, and student movements; the defense and strengthening of democratic freedoms; and the improvement of our people's living and working conditions.

IV. Explore the possibilities and present a proposal for creating a unitarian electoral bloc that should represent the most consistent patriotic and democratic sectors; immediately discuss our participation in the elections for a Central American parliament; and present to our people another alternative for participating in the 1990 elections besides the bipartisan option offered by the PLN [National Liberation Party] and PUSC [Social Christian Unity Party]."

Regarding these proposals, the Political Commission began the first round of preliminary talks with the comrade members of the parties which comprise the United People Coalition and the Popular Alliance. The Political Commission reported that the talks revealed there is a willingness to make progress, although there are certain problems and important disagreements. The Central Committee approved the work plan and instructed the Political Commission to continue the talks, with the suggestion that all the political forces which participate in the talks should be told about the importance of establishing a schedule that guarantees the adoption of specific agreements on certain dates.

Referring to the unity within the people's movement, the Central Committee praised the progress achieved within the framework of the CPT [Labor Party Congress], the National Struggle Committee, and by other groups, and agreed that the PPC should continue working with dedication to increase the participation of all the popular organizations.

The Central Committee also discussed and adopted decisions concerning the reorganization of the party's work and its directorate, according to congressionally approved guidelines. The work areas were outlined and the secretariat was appointed: Manuel Mora (secretary general), Lenin Chacon (assistant secretary general), Jose Merino, Miguel Sobrado, Manuel Mora Salas, Alberto Vasquez, and Francisco Rivas. Important guidelines were also approved for the party's work during this period. The guidelines primarily concern peace and a negotiated solution to the Central American conflict, a patriotic and Latin American solution to the foreign debt problem, the strengthening of the party through close contact with the people's struggles, the rejection of the IMF programs that bring only hunger and deprivation, the defense of democratic liberties, and popular and patriotic unity.

The PPC Central Committee urged all its activists to step up their work and gather enough signatures to legally register the party.

Honduras

Government Rejects FPR Commission Slot Demand

PA202244 San Pedro Sula TIEMPO in Spanish 19 Oct 87 p 34

[Text] Tegucigalpa—The government of President Jose Azcona has turned down the demand of the Lorenzo Zelaya People's Revolutionary Forces, FPR, to be a member of the national reconciliation commission to be formed in compliance with the Guatemala peace accords.

Lisandro Quesada, press secretary of the government, said: "We do not think this group is important either here or abroad."

Presumed FPR members delivered in Tegucigalpa a communique demanding the discussion of what they described as their "minimum government platform" by the commission.

Quesada said that groups such as this one are not so important in the country that they should be taken into consideration.

He also said that these groups are formed by "criminals and subversives." He then pointed out the number of attacks for which the police hold the group responsible.

Regarding the FPR's so-called minimum government platform, which proposes the eviction of U.S. soldiers and contras from Honduras, Quesada said: "This has absolutely nothing to do with the meeting."

He said Honduras' agrarian reform is one of the region's most advanced. He added that even the Nicaraguan Sandinist government leaders have admitted this.

He said further: Efforts are being made to improve the health and educational systems. Because of this, the FPR's views cannot be regarded as valid.

Nicaragua

Iranian Foreign Minister Velayati Visits

Arrives in Managua

LD201905 Tehran IRNA in English 1831 GMT 20 Oct 87

[Text] Tehran, Oct 20, IRNA—Iranian Foreign Minister 'Ali Akbar Velayati arrived in Managua from Havana this afternoon and was welcomed at the airport by his Nicaraguan counterpart Miguel D'Escoto.

During his visit Velayati will confer with senior Nicaraguan officials on issues of mutual interest.

Comments on Gulf Incident

NC210620 Tehran Domestic Service in Persian 0430 GMT 20 Oct 87

[Text] Our country's foreign minister arrived in Managua, the Nicaraguan capital, yesterday at the head of a political delegation. IRNA reports that he met with Nicaraguan Foreign Minister Miguel D'Escoto. During this meeting Mr Velayati stressed the need for solidarity among Latin American countries in order to combat the U.S. policy of domination, and said: The signing of an accord among the Latin American countries could serve as a warning to the United States that the time for its intervention in the internal affairs of countries has passed. Our country's foreign minister referred to the latest U.S. attack on Iranian oil platforms in the Persian Gulf and emphasized: The Americans should rest assured that they will eventually depart from the Persian Gulf with their heads bowed in shame.

For his part, Mr D'Escoto referred to the escalation of tension in the Persian Gulf following the latest U.S. act of aggression against Iran, and said: The Americans should now accept the fact that the initiation of a war against the Islamic Republic of Iran entails dangerous consequences. Alluding to the fact that Reagan has lost control over U.S. internal affairs, he added: U.S. publications are portraying Reagan as a President without any control over problems. In connection with the broadening Iranian-Nicaraguan ties, the Nicaraguan foreign minister noted that the Nicaraguan planning minister will be visiting Tehran soon for purposes of expanding cooperation between the two countries.

Confers With D'Escoto

LD210731 Tehran IRNA in English 0705 GMT 21 Oct 87

["Velayati, D'Escoto Voice Identical Views on Aftermath of U.S. Aggression"—IRNA headline]

[Text] Tehran, Oct. 21, IRNA—IRAN's foreign minister 'Ali Akbar Velayati, currently in Managua, conferred with his Nicaraguan counterpart Miguel D'Escoto Tuesday.

During the meeting Velayati stressed the necessity for unity among Latin American countries to fight against U.S. expansionist policies.

Velayati said that a solidarity pact by Latin American countries would alarm the U.S. against interference in the internal affairs of those countries.

On the Persian Gulf the Iranian minister said Iran would continue to stand firmly to the U.S. intervention in the Persian Gulf, and that the Americans would eventually pull out of the Persian Gulf 'with humiliation.'

The Nicaraguan foreign minister said in response that the Americans should have long since realised that any confrontation with Iran will have dire consequences for them.

D'Escoto said that apparently Ronald Reagan is not any more able to control the situation and that no one in the U.S. is willing to shoulder responsibility for what he does outside the U.S.

Referring to Tehran-Managua relations, D'Escoto said he is pleased to hear that Nicaraguan minister of planning is to visit Tehran shortly.

Velayati, heading a political delegation, arrived in Managua Tuesday afternoon.

Ortega Meets Christian Democracy Leader

PA200415 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 19 Oct 87

[Text] Nicaraguan President Daniel Ortega Saavedra has met in Managua with (Flaminio Tijones), president of Christian Democratic International. Both leaders discussed advances made by Nicaragua in complying with the Esquipulas agreements. (Tijones) is also president of the Italian congressional committee on foreign affairs. He is visiting Nicaragua to contribute to the regional peace efforts. In the next few days he will meet with the UN secretary general. President Ortega stated at a news conference for Italian newsmen that Nicaraguan compliance with the Esquipulas agreement is linked to the attitude that the U.S. Government assumes:

[Begin Ortega recording] It is necessary for the United States to change its aggressive policy against Nicaragua in order to support the Esquipulas agreements, which would allow Nicaragua to find by 5 November the required simultaneity for its total compliance with the Esquipulas II agreements [words indistinct]. [end recording]

President Ortega stated that advances in complying with Esquipulas II had been made and that Nicaragua had demonstrated in practice its will to comply:

[Begin Ortega recording, in progress] ...without closing our eyes to the existing danger that the U.S. Government may launch (?an invasion) against Nicaragua. [end recording]

President Ortega noted that the ways in which these agreements would be implemented in practice by each Central American country are topics to be studied by the International Verification and Follow-Up Commission.

Borge Interior Ministry Anniversary Speech

PA192115 Managua Domestic Service in Spanish 1527 GMT 17 Oct 87

[Speech by Interior Minister Commander Tomas Borge on the occasion of the 8th anniversary of the Interior Ministry; in Managua, on 17 October—recorded]

[Excerpts] Brothers of the FSLN National Directorate, Comrade Commander of the Revolution and Nicaraguan President Daniel Ortega, dear Comrade EPS Commander in Chief Humberto Ortega, dear Comrade FSLN National Directorate member Luis Carrion, dear Army and Interior Ministry commanders, dear government branch officials, cabinet and diplomatic corps members, special guests, brothers. [passage omitted]

Approximately 1,200 people gathered at the U.S. ambassador's residence a few days ago and, inebriated with alcohol and hysteria, shouted that the only free territory in Nicaragua was the U.S. Embassy grounds. When one of the participants kissed Mrs Kirkpatrick's feet, it was not a gesture of gallantry, of course; it was the lowliest act of subservience. Also, when another one desperately demanded the U.S. Marines' presence to invade Nicaragua, or when many of them brandished in each hand up to three small U.S. flags, they were expressing their views and euphoric submissiveness to the foreign power. These men claimed that they were speaking on behalf of the people, but none of them thought—for the sake of propriety or to keep up appearances—about bringing along at least one Nicaraguan flag. [passage omitted]

Why I am mentioning this incident that is insignificant in terms of quantity and quality? Simply because it serves to dispel possible confusion and removes the last fig leaf from those who identified themselves with the wise and unbelievable lessons in democracy of a lady whose name is used by one of the armed groups of hired assassins of the Yankee government. All of this shows us, like in a photographic sequence, the umbilical cord that has historically tied this so-called democratic group with imperialist policies.

Because we are flexible, because we have a word of honor, because we are seriously committed to abiding by the Esquipulas II Agreement, and chiefly because we want peace, we can invite them. I think that Commander Daniel Ortega will soon officially invite them again to participate in the national dialogue. [passage omitted]

No one must accept the barbaric principle that it is lawful to point a gun at the head of a small nation to force it to accept the conditions of political negotiation, as Nicaraguan Defense Mininister Humberto Ortega said a few days ago. It has been said, it has been shown, and everybody, everybody [repeats himself] knows that the counterrevolution is no alternative. In (?military) terms it has been defeated. However, this fair assessment must not lead us to the conclusion that the war is over.

We have opened political and even military maneuvering room in the search for peace. We have sought rapprochement with Central American presidents. We are pleased by the Nobel Peace Prize awarded to Costa Rican President Oscar Arias. He established the basis for the peace agreement signed by the five Central American presidents. That agreement expressly orders that there be a national dialogue with those whom the presidents refer to as armed opposition and those who accept amnesty, and absolutely with no one else.

We are entitled to expect, we are entitled to expect [repeats himself], and have the duty to demand that the international community be as firm in its support for peace as Ronald Reagan is as firm in his support for war. In our opinion, this contribution we are asking for and demanding from the entire world must include political solidarity and economic aid without discrimination to an empoverished region, which has been turned into a wasteland not because of God's will but because of the cruel and selfish policies of the current U.S. Administration.

Comrade representatives from other countries, in these terms alone will the [words indistinct] the madness and visceral hatred against our peoples, exemplified by Mr Reagan's arrogance and contempt for the commitment to peace [words indistinct] of other countries that have subscribed to the possible miracle of peace in Central America. Sometimes one may make a slip. I said armed opposition, or they claim that I said that. Anyway, an opposition armed with lies and slanders; [applause] an opposition armed with shamelessness and dishonor—that may be. Not all of them are like this, however; there is a more honorable opposition. They did not attend the meeting with Mrs Kirkpatrick. Some who attended did not applaud Mrs Kirkpatrick's words. We have to acknowledge that. [applause].

The Central American presidents solely and exclusively talked about a dialogue with the opposition without rifles or weapons. The dialogue would be with that opposition without rifles. I would like to tell our foreign friends this so there will be a balance between the visceral hatred for this revolution and the political and material support required for peace. I would like to tell this to those countries that claim to have subscribed to the possible miracle of peace in Central America.

Of course—and we must always keep this in mind—some take advantage of the maneuvering room created by the agreements in order to gain positions for the sake of peace. If maneuvering room has been been created and if some want to gain positions for the benefit of war, let us think, brothers. Who will benefit from peace? What will be achieved with peace? Will peace only benefit the Sandinists? It only benefits the revolutionary government? Peace benefits all Nicaraguans. Peace benefits thousands and thousands of parents. Although they are proud and hopeful, they suffer because their sons are fighting and risking their lives.

If they feel justifiably proud, it is because they are fighting to defend the fatherland, surrounded by the hatred of a nation that seems to have been born just so its ruler could attempt to (?sink us to the bottom). As a matter of fact, peace benefits the parents of the counterrevolutionaries who are fighting on the side of the enemies of the fatherland. It also benefits the sick, students, and families without homes. Peace benefits all those who will be given amnesty. [Words indistinct] peace means shoes, shirts, buses, homes, rice, vegetables, cooking oil, electricity in the homes, and happiness on one's face.

Of course, once peace is achieved the solution to our material and social needs will not fall from the sky. A long time will have to pass before the huge wounds of sweat and blood that scar our fatherland heal. The resources, the energy, men, and creative and productive work in Nicaragua—in a specific period of time there will be solutions to those expectations.

In the final analysis that is precisely why we had a revolution. However, we are not going to achieve peace without a framework for negotiations. That framework for negotiations is our sacred commitment to our people, the nation's fundamental [words indistinct] and the Esquipulas II Agreement.

If Nicaraguans in general benefit from peace, who benefits from war? First, the U.S. Government, which is trying to annihilate, to erase the Sandinist government from the face of the earth without realizing that in order to erase the revolution from the face of the earth they will have to erase all Nicaraguans from the face of the earth. Who stands to gain the most with war? Those who dream of a return to the past—the Somozist Guards, the Somozists, and the neo-Somozists; those who lost their privileges, the landowners whose lands are irreversibly in the hands of peasants; those who speculate with the people's hunger; and those traitors of the day before yesterday, [applause] tomorrow, the day after tomorrow, and always.

We are firm, serious, and responsible supporters of peace and not because we [words indistinct]. Reality is stronger and more convincing than words. The facts speak for us. We cannot judge people for what they say but for what they do. That is the only instrument for measuring agreement between what one sets out to do and what one does.

However, what has happened so far? Brothers, dear comrades, let us continue our reflection. The reply to our political relaxation has been intransigence. The reply to our cease-fire (?announcement) has been violence. Everyone knows what happened in Region No 5. Indeed, the enemy planned an ambitious offensive, but it ended in the utmost failure, thanks to our Army's [words indistinct]. [passage omitted]

Our fulfillment of the accords—and even of the nonbinding and prior concessions, as Daniel has explained so many times—have been described as dishonest here in Nicaragua. According to those who speak Spanish but think in English, we are serious, sincere, and honest people. [sentence as heard] We do not conceal that we are friends—and, let us say, brothers—of the Cubans [words indistinct]. We are friends, very close friends, of the Soviets; but we do not think in Russian, but in Spanish, in Nicaraguan. We are [words indistinct] of our friends and brothers. I know that our enemies are also aware of this deep in their hearts. We are free, upright, sovereign, proud of our nationality, patriots, intransigent, rebels against all foreign pressure. We will continue to be independent to our deaths and as long as we live. For this reason, both enemies and friends know that the former can perhaps destroy everything, level everything, but the homeland's dignity and sovereignty will be maintained and will continue to remain unconquerable. [applause].

Some day we will make peace with the United States, with which we are now at war. We will even have cordial relations with U.S. leaders. Some day we will even be friends with some future U.S. Government. Yet we will never think in English. Even if we have to raise banners, we will not (?surrender) or kneel down before any foreign flags. [passage omitted]

Oil Arrives Late, Forces Refinery Shutdown

PA200429 Managua Radio Sandino in Spanish 1200 GMT 19 Oct 87

[Text] Emilio Rappaccioli, minister of the Nicaraguan Energy Institute, said that a tanker with Soviet oil arrived in Corinto yesterday, 1 week late. The delay has forced the shutdown of the refinery for 4 days, starting this Sunday morning. With additional gasoline we expect to maintain normal service at all Managua service stations, said Rappaccioli. He added that the deficit for this year is still 50,000 tons, and prices for diesel and gasoline are not expected to increase.

[Begin recording] [Rappaccioli] Because of the delay of approximately 1 week in the arrival of a tanker with Soviet crude, we have been forced to shut down the refinery. We are going to shut it down tomorrow morning. This creates more difficulties because production is stopped in Managua and more pressure is placed on Corinto.

[Reporter] How long will this take?

[Rappaccioli] Three or four days. Although we are receiving the crude tonight, the refinery operates with certain minimum volumes, below which it has to be stopped for safety reasons. A certain quantity of oil must be left in the tanks and pipes to make the start-up easier. Firing it up after the ship begins to unload the crude in Puerto Sandino to the tanks, pipelines, and refinery takes 2 or 3 days to bring it up to full load and normal operation. This creates another problem, because shutting down the refinery for 4 days depletes our stocks of all products. We expect to receive additional gasoline through Corinto by the end of next week, Sunday of next week. This will ease the situation, the refinery will again be operating, and we will again be able to send normal supplies through the service stations of the four oil companies.

[Reporter] Will prices increase?

[Rappaccioli] At this time we are not considering any price increases in fuel this year. Nevertheless, I cannot assure you that we will not do so, probably not. Most probably we will not increase prices until the beginning of next year. I think we are going to end the year with the present prices. [end recording]

PETRONIC Director on Fuel Situation

PA201936 Managua BARRICADA in Spanish 17 Oct 87 p 2

[Unattributed article]

[Text] Otto Schaeffer, Nicaraguan Petroleum Enterprise, PETRONIC, director, yesterday said that there is enough fuel in the country to meet users' demands, and he added there are long lines at the gas stations because the transnationals ESSO, Texaco, and Chevron have forbidden their subsidiaries to sell oil products produced in Cuba.

Schaeffer said that several days ago, 2,500 tons of gasoline and 7,500 tons of diesel arrived in Corinto, all of which will be sold through the Shell company. At this time ESSO, Texaco, and Chevron are selling the little gasoline available at the refinery.

In view of this situation, PETRONIC adopted the measure of supplying fuel to the largest customers, the three U.S. transnationals, through the Shell gas stations. That is the reason for the long lines of vehicles in those stations.

Schaeffer stated that unless there is an emergency situation, the fuel supply for the rest of the year is secured. He added that the 11-percent saving in gasoline and diesel which began in September will represent 30,000 and 50,000 gallons respectively. In addition, he noted, PETRONIC is expecting an oil shipment from the USSR.

Aldo Balcaceres, owner of the ESSO gas station located in front of Lang hardware store, said that he has placed two orders for fuel but the company has told him that it has not supplied it because there isn't any. Balcaceres said he is not aware of the ESSO regulation against selling Cuban fuel, and he added that his gas station would accept fuel and diesel regardless of where it comes from.

According to Cristobal Solano, former ESSO official, the main reason for the gasoline shortage at the stations is that there are not enough trucks to transport the fuel rapidly and in sufficient quantities from Corinto to Managua and to the other regions. He added that if it is true that there is sufficient fuel in Corinto, then PETRONIC should supply it to the stations.

Oscar Mejia, administrator of Shell of Central America, said that he is only getting 1,500 gallons of gasoline and the same quantity of diesel every other day, which is not sufficient because the demand is 4,000 gallons a day of each product.

He maintains there is a supply problem because several Shell trucks are out of service, and he added that if PETRONIC instructs them to supply fuel to the ESSO, Texaco, and Chevron—the largest customers—they will not be able to do it because of the small quantity they are receiving.

Explaining a possible contamination of the fuel, PETRONIC Director Otto Schaeffer said that the fuel produced by the refinery contains 0.84 grams of tetraethyl lead (percentage required by EXXON), which is below the 1.067 grams established by the American Society for Testing Materials. He added that the fuel imported from the USSR contains 0.14 grams of tetraethyl lead, and the fuel from Cuba 0.007 grams.

Schaeffer said that some of the customers of the refinery such as the EPS have their own laboratory to verify the quality of the fuel, and thus far there have been no complaints. He added that the gasoline and the diesel get contaminated with foreign particles in the gas station storage tanks and inside the tanker trucks.

Contra Unit Leader, Others Accept Amnesty

PA201859 Managua BARRICADA in Spanish 17 Oct 87 p 2

[By Fabian Medina of Radio Segovia]

[Text] Ocotal—Luis Emilio Ramirez Medina, alias "Pajarito," leader of a detachment of the contras' Quilali regional command; his brother Santos Fausto Ramirez; and Fulgencio Duarte Herrera took advantage of the amnesty law on Friday and were taken to the San Juan de Rio Coco peace commission by the Ramirez brothers' father.

The local residents said that thanks to the existing climate of confidence, Luis Emilio and Santos Fausto Ramirez' father arrived at a place known as Santa Rosa, located inside the cease-fire area of Quilali, and personally gave them a peace letter from President Ortega.

The Ramirez brothers deserted from a group led by kingpin "Caturra," with whom they had a fight that resulted in Duarte losing one of his eyes.

Duarte, who is known in the contra ranks by his alias of "Donald," is a native of Caulatu, which is also in the area covered by the cease-fire. The group's leader, Pajarito, and his brother are from El Balsamo, in the San Juan de Rio Coco area.

The three went to see the Ramirez Medina brothers' father. He took them to the Rio Coco peace commission yesterday and presented them to Pedro Juaquin Gonzalez, who is the coordinator of this commission.

Gonzalez, who is also president of the Red Cross of San Juan de Rio Coco, made arrangements for the authorities to grant them safeconduct and immediately turned the former rebels over to their families.

The three have brought to eight the number of rebels, all belonging to the Quilali regional command, who have surrendered this week.

A source in San Juan de Rio Coco pointed out the fact, noting that "this has been possible because of the general climate of confidence established in the cease-fire area."

Panama

FDP Raid Opposition Party Headquarters

PA202252 Panama City ACAN in Spanish 2131 GMT 20 Oct 87

[Text] Panama, 20 Oct (ACAN-EFE)—Popular Action Party [PAPO] President Carlos Ivan Zuniga reported that Panama Defense Forces [FDP] agents raided PAPO's headquarters this afternoon and arrested six members, including two party leaders.

Colonel Leonidas Macias, chief of the police force, confirmed to ACAN-EFE that the raid had taken place and noted that he will give more information on this operation within the next few hours. This operation takes place only 48 hours prior to an opposition rally that the government has promised to stop.

Zuniga stated that among those arrested are party Secretary General Roberto Arosemena Jaen and Press Secretary Jorge Athanasiadis.

He added that the police agents first arrested two PAPO members that were in the office and later arrested the other four members when they arrived at the party headquarters to do their normal work.

Progovernment journalists have reported the supposed existence of a subversive plan, promoted by opposition politicians, that is to take place during the rally called by the "Civic Crusade" for Thursday afternoon with the purpose of forcing the removal of General Manuel Antonio Noriega, head of the Army.

The antigovernment "Crusade" has carried out a series of protests since 9 June to demand an investigation of the accusations of abuse of power and corruption against Noriega.

The government yesterday instructed the public forces to stop the Thursday demonstration because it believes the demonstration has "the manifest purpose of subverting public order and upsetting free transit in order to topple government officials."

Arrest 16, Confiscate Material

PA210055 Panama City Televisora Nacional in Spanish 0000 GMT 21 Oct 87

[Text] The Panama Defense Forces today confiscated subversive material from the PAPO headquarters. During this action they arrested 16 people, including a Chilean couple that will be deported. The confiscated material included a map that highlighted the staging areas for the 22 October Civic Crusade march. They also confiscated a document that listed the places where people who arrived from the country's interior were to be met. Among these places were the houses of Omayra [Mayin] Correa and Astrid de Vasquez.

The document also noted the goals of Thursday's march. These included burning the AVESA building [office building in downtown Panama City where offices for the government telecommunications company are located] and killing gringos, and blaming the Defense Forces for this. Finally, it has been reported that all the people arrested will be transferred to Coiba penal island.

Three Opposition 'Terrorists' Arrested

PA201805 Panama City CRITICA in Spanish 20 Oct 87 pp 1, 30

[Unattributed article]

[Text] Three terrorists of the so-called "Civic Crusade" were detained by the authorities at the moment they were carrying out terrorist acts in the Cabuya area, Tocumen Corregimiento. Among other details, they revealed that Mrs Mary Alfaro Villageliu is "in charge of logistics for the people who will be brought from the interior of the country" to create chaos and confusion on 22 October during the demonstration scheduled by these groups.

Luis Alberto Moreno Tejeira, Jose Luis Moreno, and Maria Eduviges Vargas Batista de Moreno, Panamanians residing in Cabuya, Tocumen, were detained while disturbing public order following a subversive meeting organized by the "Civic Crusade" in that area.

The terrorists revealed important information involving members of the organization, which has been encouraging actions designed to alter the established order and overthrow the constitutional government.

During this first round of questioning, the detainees disclosed details of the "Crusade's" planned actions for Thursday. It is known that information that will reveal details of the plans, names, and assignments of those involved remains to be disclosed.

Luis Alberto Moreno Tejeira said he had belonged to the PAPO and he maintains close ties with members Rodrigo Moreno; Jorge de la Guardia, owner of El Triangulo store; and Dr Carlos Morales, of the Authentic Panamenist Party.

Moreno Tejeira said that Carlos Gonzalez de la Lastra and Manuel Burgos were responsible for printing the subversive flyers distributed at the meeting.

Moreno Tejeira also said he was in charge of the meeting and to organize it he had received money from Rodrigo Arosemena of the MOLIRENA [Nationalist Liberal Republican Movement]. He added that a jeep was supplied by the Christian Democratic Party [PDC] and a Lada car by Mr Warland De Janon.

Jose Luis Moreno implicated Mary Alfaro Villageliu as the person "responsible for all of the logistics involved in the people coming from the interior," on 22 October.

When Mrs Alfaro Villageliu was detained she said that she belonged to this movement "because the husbands of the upper-class wives do not have..." [sentence as published]

Jose Luis Moreno said that the the "National Civic Crusade's" coordinating group meets at the Science Athenaeum and it comprises Rodrigo Arosemena, of the MOLIRENA; Alonso, Villareal, Ivan Romero, Gilberto Solis, and Mary Alfaro Villageliu, of the PDC; Dr Gamboa and Dr Morales, of the PAPO party; and Abadia, Burgos, and a professor whose last name is Cerrud.

Mrs Maria Eduviges Vargas Batista de Moreno, wife of Jose Luis Moreno, confirmed that support for subversive activities in the Tocumen Corregimiento, Cabuya area, has been given by the PDC. Such support includes the car used to call out the area residents.

The terrorists also confessed that the cars used for their subversive activities are kept at the gas station opposite the Balboa Avenue traffic police checkpoint. This gas station also supplies gas for the cars of the PDC seditionists.

At the time this newspaper went to press, the terrorists captured at Cabuya, Tocumen, spoke of the people linked to Thursday's macabre plan who operate in the Los Santos Province.

Luis Alberto Moreno Tejeira, Jose Luis Moreno, and Maria Eduviges de Moreno disclosed that among those who planned chaos, death, and destruction in the Los Santos Province are the following people:

Guillermo Grimaldo, retired professor and member of the PDC; Mario Arrue, businessman and MOLIRENA member; Denis Barria, school teacher and PDC secretary general in Los Santos; Balbino Dominguez, businessman and PDC activist, and Jose Arquimedes Gonzalez, cattle rancher.

Reference is also made to a woman known as Carmen Cecilia [Capriles] of the "Mundo Aereo" travel agency, who departed for Europe and the United States seeking money for terrorism.

During the course of the day more names should surface of those seriously involved in the bloodbath planned for Thursday by the Civic Crusade, PDC members, and other opposition groups.

Lack of Funds May Prevent 1989 Elections

PA201408 Paris AFP in Spanish 0445 GMT 20 Oct 87

[Text] Panama City, 19 Oct (AFP)—Electoral Tribunal Vice President Rolando Murgas today warned that the 1989 presidential elections are in danger due to financial reasons.

"Either there will be no elections because there is no money, or the elections will not be run well, which would affect their credibility," Murgas told the press. Murgas said $22 million is needed to guarantee fully organized elections.

The opposition has so far belittled the request for more money by the tribunal, which the opposition has accused of carrying out a fraud to impose Ardito Barletta as the country's president in 1984.

PALA Manifesto Criticizes U.S.Actions

PA201608 Panama City CRITICA in Spanish 20 Oct 87 p 8

["Manifesto to the National Government and the Panamanian People" issued by the Labor Party in Panama City on 19 October]

[Text] The Labor Party (PALA), a clearly nationalistic political organization, expresses to the country, our Latin American brothers, and friendly peoples of the world our firm protest and rejection of the aggression that Panama has been suffering from conservative sectors of the U.S. Govenrment.

The interference of these North Americans in our domestic affairs and the consequent flagrant violation of our right to self-determination seek two immediate objectives in Panama:

1. The destabilization and overthrow of the legally established government in order to subsequently install a docile government formed by people who will unconditionally follow these North Americans' orders. They want men who are chosen because they bow down and are subservient to U.S. mandates.

This would permit them to have a government in Panama that would facilitate the modification of the Torrijos-Carter Treaties and guarantee their military presence in the country after the year 2000.

It is no secret that these conservative groups of the U.S. Government, as well as other sectors—both Republican and Democratic—military sectors, and powerful U.S. groups, believe that the canal should not pass to Panamanian hands.

Since the treaties went into effect on 1 October 1979, the North Americans have distorted the spirit and the letter of the same through the Murphy Act or Law 96-70. Nevertheless, they know well that there is a deadline for the definite departure of their troops from the country and that that date will inexorably arrive at noon on 31 December 1999. That is why they urgently need a submissive government. They need a government that will also help them in their warmongering adventure in Central America. That is why Panama has acquired primary strategic importance.

The Washington power circles are now trying to ignore what former President Carter signed in 1977 because they view with concern the withdrawal of their Army and the abandonment of the grand and massive military complex which they built in the so-called Canal Zone during almost a century and for which they have no equivalent replacement.

2. The other immediate objective, which complements the previous objective, is the weakening and dismantling of the Panamanian banking center. For some years U.S. bankers have seen the development achieved by our financial center as a threat to their interests.

This is first of all due to the versatility and high quality of the services provided in our country, services which place us in a leading position.

Second, it is due to the fact that ours is the only banking center which operates in a country where the U.S. dollar is legal tender.

The flow of capital to Panama worries the U.S. Government and bankers. The prosperity of our center, which is not under their control, is viewed by them as an unforgivable challenge and as a threat to their own banks.

This is the reason they began to discredit our banking system by charging that it is a money laundering center.

Acting in good faith, we Panamanians passed laws and supported their campaigns when in truth we should have rejected them because they were ill-intentioned.

Even so, such campaigns were unable to achieve the desired effect on the strength of our financial center, which continues developing and growing stronger.

Then, in early June, they began taking direct, overt, and barefaced action, unleashing the present crisis.

They have taken every opportunity that has arisen from the destabilizing actions to go ahead with and to deepen their destructive plan. They have utilized the local useful fools, who allowed them to experiment with the banks and private enterprise as political weapons, resulting in the notorious consequences known at all, much to the happiness and joy of the United States and the few Panamanians who are in agreement with these antinational alliances.

Now the U.S. ultraconservative sectors have begun a phase of invoking a merciless and aggressive economic embargo on Panama. They are threatening to stop the importation of our products, pressuring and blackmailing the countries wishing to help us, withdrawing the aid from some technical missions and preventing the disbursement of loans already agreed upon, openly backing seditious groups, and, in a nutshell, trying to destabilize the national government at all costs in order to overthrow it, not bearing in mind that we will hold elections within 19 months.

The United States has deliberately caused a serious deterioration in Panama's economy. The damage is serious and will undoubtedly affect all of us. However, it will most seriously and mercilessly affect the poorest sectors of the country because unemployment, that terrible social sickness, will irreversibly increase. Also, the government does not have the resources to cope with the increasing social demands resulting from this crisis.

The economic embargo the United States decreed on Panama is worsening the difficulties faced by most Panamanians.

The United States has decided to deal the final blow to Panama because it knows that our country has been choking for several years on the economic crisis caused by the destructive effects of the foreign debt.

The effort we are making to barely meet the interest payments on this large foreign debt is draining all our resources.

We are rapidly becoming poorer and poorer and we are slipping down into the abyss to comply with the onerous conditions and with the "structural adjustments" imposed on us. However, it is abundantly clear that we cannot condemn our people to poverty and hunger just to continue paying the interest while the principal on the debt remains the same.

The U.S. groups are perfectly aware of this situation and that is why they continue harassing us and cynically and barefacedly trying to take every advantage they can.

We must cry out and denounce the extortion and blackmail against us.

AID—Reliable Proof of U.S. Aggression Against Panama [subhead]

Cunningly, and pursuing a strict destabilization plan, the United States began pulling out the technical AID personnel several weeks ago, mainly from agricultural and livestock institutions.

Violating all agreements, they suspended a development program that had been signed with the Agricultural and Livestock Research Institute [Instituto de Investigaciones Agropecuarias], which will prevent the institute from complying with construction contracts, the collection of production components, materials, and equipment for research. What will happen to the professionals on scholarships under contracts with that U.S. international agency is not known.

Other programs carried out with MIDA [Agricultural Development Ministry], Ipaccoop [Autonomous Panamanian Institute of Cooperatives], Inrenare [Institute of Natural Renewable Resources], and BDA [Agriculture-Livestock Development Bank] have suffered the same fate. This has affected important and complex components of programs linked with the establishment of agriculture and livestock policies, training, administration of agricultural affairs, document centers, transfer of technology, loans to cooperatives, and numerous independent producers. To put it succinctly, they have deliberately retarded our primary sector as part of a premeditated plan to undermine our economy to its deepest roots.

The impact of the institutional disaster engineered by AID against the Panamanian agriculture and livestock sector has meant a loss of $50 million for the Marena Project, for the improvement of the forestry sector, and has made it impossible for Panama to be included in the FAO Humid Tropics Development Plan.

The suspension of the agreement with Ipaccoop has affected hundreds of cooperatives that were counting on the $4 million for financing projects they will now not be able to carry out.

If they are here to lend assistance on these various projects, and they are not doing it, then what do we want them in the country for? To import duty-free autos?

Where are the dozens of AID experts? Why do we have to continue paying them high salaries if they are not rendering any service to the country?

PALA's Position [subhead]

The Labor Party has been widely publicizing in all the media and by means of personal contacts that the sectors in conflict must sit down and we should discuss, negotiate, and have direct communication among Panamanians.

We have been harping on the fact that we must not allow chaos, violence, and destruction to be used as weapons in the struggle. We deplore the loss of lives during recent disturbances. We have requested the investigations being carried out by the Attorney General's Office concerning the closed newspapers be speeded up.

PALA has rejected foreign intervention in our domestic affairs. Our nationalist position has been firm and clear. We have made it known directly to U.S. Embassy officials. We have let them know they are the primary disturbing elements in this crisis, and it is evident that they are continuing to fan unrest and concern.

We of the Labor Party believe in the objective confrontation of ideas and in politics as a noble exercise, morally obligatory for all Panamanians.

We defend democracy and freedom based on the principles of social justice because we are committed to the struggle against unemployment and poverty that afflict the majority of Panamanians. But democracy is neither supported nor strengthened through disorder, destruction, and violence.

Social peace, democracy, and freedom are achieved by struggling against malnutrition, unemployment, hunger, and ignorance.

The Labor Party will continue to struggle to improve the democratic process in Panama. We will insist on promoting all types of actions leading to the establishment of a social regime that includes participation by all members of the community.

It is mandatory for the government alliance to agree upon a concrete proposal—a national development plan with well-defined, minimum goals. We must put aside harmful partisanship and work on joint plans of action.

We have called for dialogue as the best way to resolve our differences. We urge all political parties, groups, and civic associations to put ourselves beyond any selfish interest, so that each one of us assumes our responsibility—to define the future we want for Panama.

The reinstatement of the calmness and peace must be achieved without further delay. Therefore, we support the public order measures announced by the executive branch.

The PALA admits that in view of the difficult economic situation the country is enduring it is urgent to adopt measures for a true fiscal austerity and administrative reorganization.

Nevertheless, the Labor Party views with much concern the imposition of new burdens and sacrifices for our people, unless there is a previous consideration of the following measures that we believe must be implemented:

1. Suspension of the payment on the foreign debt service until new conditions for payment are negotiated according to the Panamanian economic reality.

Thus far, Panamanian Government officials have been very agreeable to the demands and impositions by the international financial institutions. There has been little consideration for the majority of the Panamanians who are suffering and living in extreme poverty, while hundreds of millions of dollars are sent out of the country to pay interest on the foreign debt.

We must stand side by side with our compatriots and must be in solidarity with them. It is our duty to defend the cause of the most needy Panamanians.

2. Reduction of the salaries of those government officials who earn the highest salaries.

3. Revision of the status of AID, which is no longer providing aid for fulfilling its objectives in the country.

4. Revision of the status of other technical assistance agencies accredited in our country.

We will not consolidate our internal front through the sacrifice and impoverishment of the Panamanian people, and we refuse to continue being the best-paying country in the world if it means that we must become the weakest defender of our countrymen's interests. Panama for the Panamanians.

Panama, 19 October 1987

For the Political Commission of the Labor Party:

Juan A. Medrano; Jose A. Alessandria; Ramon Sieiro Murgas; Arturo Diez; Franklin Raymores; Luis De Leon Arias; Ricardo Franco Aguilar; Nestor Tomas Guerra; Nicolas Alvarado; Gustavo Nelson Collado; Candelario Santana; Paulino Romero; Carlos Sinisterra; Rafael Barranco; Alberto Velasquez; Azael Vargas Aponte; Eduardo De Obaldia; Walter Coriat

Talks for Ties With Iran 'Well-Advanced'
PA201650 Panama City CRITICA in Spanish 20 Oct 87 p 5

[From the "Primicias" column]

[Text] Secret talks aimed at establishing diplomatic relations with Iran are well-advanced. This is another alternative for new markets and new frontiers for Panama.

Energy Cooperation Agreement With Nicaragua
PA182202 Panama City LA REPUBLICA DOMINICAL in Spanish 18 Oct 87 p 2-A

[Unattributed article]

[Text] Engineers Manuel H. Barrelier, director general of IRHE [Institute of Hydraulic Resources and Electrification], and Francisco Mojica, director general for operations of the Nicaraguan Energy Institute, yesterday signed an important energy cooperation agreement.

This is the last of the agreements needed to formalize the commercial relationship for the purchase and sale of energy resources among the countries that are currently linked electrically, such as Honduras, Nicaragua, Costa Rica, and Panama.

Our operations are already interconnected; the basic purpose of this agreement is to permit the commercial exchange of energy with Nicaragua.

The agreement between the two enterprises helps improve operations and seeks to minimize energy costs. In addition, it is aimed at improving the means of acquiring energy during emergency situations.

Present at the ceremony were: Engineers Juan Barnes Garay, IRHE assistant general director; Rafael De Gracia, executive director; Jose Luiz Saiz, executive director for operations; Miguel Mann, assistant executive director for development; Jorge Lee, national manager for energy control; and Ramiro Troitino, chief of IRHE's Operations Department.

Agriculture Minister on New Markets Search
PA162212 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Oct 87

[Text] Confronted with the U.S. Senate threat, the Panamanian Government, through its Ministry of Agriculture, is looking for new sugar export markets. Agriculture Minister Hirisnel Sucre gave us the following information:

[Begin recording] [Sucre] We are presently following instructions given by the General State Council and are searching for new markets for Panamanian produce. This subject will be discussed at the meeting we are having today with coffee growers. We will also establish with them the distribution system that will be implemented for the coffee quota that has been assigned to our country by the countries that are in the International Coffee Organization.

Regarding other produce, we are contacting countries that traditionally have not bought our agricultural produce. These measures are being taken in order to have alternative markets in case the United States decides to stop our produce from entering their market.

[Reporter] Has the government formulated a strategy to confront possible U.S. Government restrictions on Panamanian imports?

[Sucre] That is what I have been telling you. Following instructions given by the General State Council, we are presently contacting other countries to determine their willingness to buy our produce. We know that there are many countries that are interested in purchasing Panamanian produce.

[Reporter] Including sugar?

[Sucre] Correct, including sugar. [end recording]

Planning Minister on Impact of Crisis
PA181502 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Oct 87 p A-1

[Article by Edmundo Dante Dolphy C: "Crisis Will Affect Business Activities"]

[Text] According to Dr Ricaurte Vasquez, planning and economic policy minister, the two sectors that will be most affected by the current political crisis in Panama are business and development.

Concerning the repercussions of the political situation in our country, Ricaurte Vasquez gave the example of the large amount of merchandise on hand in various business establishments here, as shown by the number of sales and promotions being offered, all geared toward lowering the amount of goods in stock to allow the stores to take advantage of the holiday season purchases.

The planning and economic policy minister explained that the decrease in the growth rate is felt most acutely in the construction area, especially concerning the availability of jobs, because industry will not be growing at the same rate as it has recently.

In his opinion, this reduction in the volume of constructions is due to two factors: first, individual investors are more cautious; and second, loans are limited because of the decrease in local deposits, which are the ones that finance construction projects in Panama.

Minister Vasquez feels that short-term construction will continue until the completion of those projects that are under way and whose financing is already assured.

However, he noted that long-term projects can be carried out only to the same extent that short-term ones are completed and banking deposits and liquidity recover, thus permitting credit to be extended for housing and construction.

Concerning the payment of the public employees' payroll, Ricaurte Vasquez reiterated that the government has the capability to meet it as long as revenues are kept within the specified parameters.

In this regard Minister Vasquez pointed out that in the 1988 budget the government employee payroll will reach the amount of over 1 billion balboas. In the 1987 budget the payroll was about 986 million balboas.

Minister Vasquez emphasized the need to seek new sources of credit that will allow the development of projects and investments that will support the efforts to reactivate the country's economy.

Minister Notes Drop in Tax Revenues

PA170433 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Oct 87

[Text] Panamanian Finance and Treasury Minister Hector Alexander remarked that the possibility exists for surpassing and reaching this year's revenue goals despite the current crisis.

[Begin Alexander recording] The impact of the economic crisis and political situation that the country is experiencing has been felt in the collection of taxes. In the past 3 months the amount of import taxes collected was less than the amount collected in 1986. The preliminary figures for October tend to indicate that we may experience a drop in our import taxes. The revenues for the 5-percent tax known as ITBM [Tax on Transference of Personal Property] have dropped. However, there are other factors that have helped us meet our goals.

I have to say that the Treasury and Finance Ministry has been feeling the impact of the situation. As time goes by, or as the economic situation does not behave as we expect, we will be able to see more clearly the impact of the situation on revenues. It is worth noting that in the first 3 months we collected an average of $3.5 million above the estimated figures. However, we have been losing that leeway. Fortunately, we have been able to balance some negative areas in our revenues with other positive revenues. [end recording]

Proposed Press Law Amendments Criticized

PA190320 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Oct 87 pp A-1, A-4

[Editorial: "An Undiscussed and Arbitrary Bill With Specific Names in Mind"]

[Text] Panamanian President Eric Arturo Delvalle, just as he promised to do in his speech of several weeks ago, sent to the Legislative Assembly a bill to amend the press law. It is clear that these amendments are intended to establish legal mechanisms to put an end, once and for all, to the wave of slander and insults that has overwhelmed the social communications media in the past few months. The idea is to pave the way for a climate of ample freedom in the news media, making it possible to open the news media, which was closed because of the country's political crisis.

We cannot deny that the government's goal to seek formulas to end slander in newspapers and radio stations is positive; we must keep in mind that everybody's honor has been trampled upon during the crisis. Nevertheless, the most heated political, personal, arbitrary, and sectarian intentions lurk behind this objective of the government. This is both unexpected and reckless. We do not doubt in the least that such amendments could only have sprung from the Ministry of Government and Justice's persecuting spirit. Far from facilitating a climate of ample freedom, and far from protecting the news media's honor, this bill harasses and limits this freedom. The measures proposed are devious and intend to make journalism look lame in the public eye. The measures detract from journalism's dynamism, luster, and freedom of movement, and constrain it with the threat of a legal whip.

Regrettably, the most negative and harmful exaggerations have circulated. We will not be able to exercise serious and responsible journalism in this way. Actions that take place only in totalitarian regimes have taken place here in an attempt to fully protect the government from public criticism. The cartoonists, whom the bill subjects to the examiners' whimsical decisions, are a clear example of the new measures' arbitrariness. In addition, one and the same article establishes both that a newspaper could be headed by any Panamanian citizen and that this person could enjoy his full legal rights; and the law curtails these rights because such a person enjoys immunity as the result of his activities in some other field. This is an incredible attack on personal rights. The Ministry of Government and Justice is forgetful on purpose. This ministry altogether overlooks the fact that there exist legal provisions to lift legislators' immunity and to sanction them when and if necessary. The government has been unable to conceal its purpose to legislate with specific names in mind.

The laws of the Republic should not aim at pleasing or harming specific people. Legislation should always be passed with the majority of the country's population in mind. We fully agree with the government on the need to create legal mechanisms to severely punish those responsible for journalistic outrages. However, we flatly repudiate any and all attempts to strangle journalism, as presented in these amendments. Liberties can be curtailed with arbitrary government decisions. But this evil and totalitarian objective can also be effected through the establishment of abusive legal measures. Such seems to be the case with the amendments we have been discussing. Abuse of the freedom of expression in the

news media has not taken place because of the absence of strict legal measures; this is only one aspect of the problem. Other factors have determined the journalistic abuse. The Ministry of Government and Justice is perfectly aware of this. The ministry, however, has been unable to control such outrages without resorting to limitations that violate the most fundamental principles of human rights.

With these amendments, an effort has been made to build an iron barrier, so to speak, to protect the government's actions from public criticism and censure. Rather than attempting to protect itself from this kind of censure the government should sponsor the corrections that the Panamanian people expect. Only in this way can the government recover the people's trust. The Assembly should carefully consult with all of the interested parties about this bill. When this consultation process is completed, peace and tranquillity will return to all Panamanians who, in one way or another, wish to enjoy a press that is free, serious, honest, and respectable.

Argentina

Alfonsin Cancels November Trip to Canada

PY210115 Buenos Aires TELAM in Spanish 2335 GMT 20 Oct 87

[Text] Buenos Aires, 20 Oct (TELAM)—President Raul Alfonsin will not go to Canada early in November because he decided to stay here and continue to work to achieve the social pact he proposed to the nation last week, Presidential Spokesman Jose Ignacio Lopez said tonight.

Alfonsin was scheduled to visit several Canadian cities—including Ottawa, Quebec, and Toronto—from 3 to 5 November.

In brief remarks at Government House, Lopez said the president wants to be personally involved in the effort to find an agreement between the government and political and social sectors for the next 2 years of his administration.

Caputo Views Upcoming Group of 8 Meeting

PY202120 Buenos Aires TELAM in Spanish 1535 GMT 20 Oct 87

[Text] Buenos Aires, 20 Oct (TELAM)—Foreign Minister Dante Caputo has stated that during the meeting of the Group of Eight, which will be held this weekend in Punta del Este, Uruguay, the foreign debt issue cannot be excluded because, although there are several cooperation topics to be discussed, the debt issue is one of the most burning topics in Latin America and affects the interests of all the Latin American countries.

Caputo said that although no spectacular call will be made, he believes that special attention will be given to this topic on whose solution depend basic conditions for achieving development in our country.

After the signing of an agreement with the Japanese Government, Caputo noted, the foreign debt has been under discussion, and the various problems it creates for our countries have already been discussed. The most basic conclusion reached is that the foreign debt is no longer a classic, tradition problem. Nonetheless, traditional mechanisms are still being used in an attempt to solve it. This demonstrates that new mechanisms must be created, and that, although our demands will not produce immediate results, our calls are succeeding in making our demands heard.

Caputo mentioned a draft law on foreign trade, which was approved by the U.S. Congress, and said that one of the chapters of the draft law refers to the foreign debt. Caputo also said that this draft law comments on the various concerns expressed during the Cartagena consensus and proposes the creation of some type of international organization with authority to handle the foreign debt issue.

Caputo said that during the meeting of the Group of Eight—comprised of Mexico, Venezuela, Colombia, Panama, Argentina, Brazil, Peru, and Uruguay— the last meeting to be held before the presidential summit in Mexico, they will prepare the drafts of the documents to be presented to the presidents. They will also prepare the working agenda for the upcoming Acapulco meeting to be held 27-28 November 1987.

Asked whether or not the Malvinas issue will be discussed during the Punta del Este meeting, Caputo said that Argentina will maintain its position and propose global negotiations, and an open dialogue without preestablished conditions. He said, however, that the Malvinas issue is a topic to be discussed at the UN meetings and that our proposal is based on a peaceful organization of the world, consistent with our present position, which has received a great deal of international support.

Regarding the Iran-Iraq war, Caputo said that we are members of the UN Security Council and that we are making permanent efforts to restore peace to the Persian Gulf area. He said that Resolution 598 is very important because it is the result of an agreement among the five greatest powers. He added that we cannot forget, however, that the war has continued after the resolution was issued and that the situation is still alarming. He concluded by saying that we now expect this resolution to produce better results and to become an effective way of putting an end to the war.

Meeting of Joint Commission With USSR Begins

PY201730 Buenos Aires DYN in Spanish 1508 GMT 20 Oct 87

[Text] Buenos Aires, 20 Oct (DYN)—Industry and Foreign Trade Secretary Juan Ciminari and Soviet Deputy Foreign Trade Minister Vladimir Pavlov today opened the 10th meeting of the joint commission that will discuss an increase in trade between both countries.

This morning Ciminari met with Pavlov and discussed matters pertaining to renewing the grain contract and the possible installation of a Soviet heavy metallurgical plant in Argentina.

The two officials talked for 50 minutes in Ciminari's office and then installed the commissions that will prepare the drafts of the agreements.

The two officials showed their optimism regarding the possibility of reaching an agreement on the topics that are to be discussed.

The Soviet Union, together with the PRC and Iran, heads the list of countries that purchase Argentine grain and this is why the Argentine Government is interested in this meeting.

The commissions will work until noon on 23 October and at 1800 the results of the talks will be made known to the public.

A news conference will be held in the Manuel Belgrano Room of the Industry and Foreign Trade Secretariat, located at 651 Julio A. Roca Avenue, 2d Floor.

President To Hold Talks on 'Social Contract'
PY202315 Buenos Aires BUENOS AIRES HERALD in English 20 Oct 87 p 11

[Text] (NA-DYN)—President Raul Alfonsin will reportedly hold a meeting with political leaders and opposition leaders in Congress this week as part of the government's bid to make the country more "governable."

Sources stressed that the government's aim was to reach an agreement with the opposition by December in order to begin to apply the new "social contract" plan by next April.

The sources added that the Union of the Democratic Center (UCEDE) proposal for the creation of a "study committee" to elaborate a socioeconomic plan during a 60-day period was being seriously considered by the president.

New Telecommunications Company Head Installed
PY202310 Buenos Aires BUENOS AIRES HERALD in English 20 Oct 87 p 1

[Text] Guillermo Gustavo Klein was sworn in yesterday as administrator of the State Telecommunications Company (ENTEL). Presiding at the swearing-in ceremony was Public Works Minister Rodolfo Terragno.

Terragno stressed the need to increase the efficiency of the company, given that "users could not care less whether a public service company is owned by the state or by a group of businessmen; they only care about the quality of the service provided."

He appealed to Klein to use all his capacity, experience, and imagination in order to turn ENTEL into an efficient company. If this "fails, then the privatization pressures will be irresistible in the medium term," Terragno added.

"We cannot tell society that ENTEL is not in a condition to provide service to the one million people currently on the waiting list. We cannot tell people that ENTEL is unable to overcome technical problems which affect the quality of the service but that it has, at the same time, an untouchable monopoly in communications," he concluded.

Bomb Explodes at Private Home in Rosario
PY201316 Buenos Aires TELAM in Spanish 1157 GMT 20 Oct 87

[Text] Rosario, 20 Oct (TELAM)—According to a preliminary police report, a medium-sized explosive device exploded early this morning in front of the house of a well-known restaurateur of this city. The explosion caused damage, but there were no victims.

The report indicates that the homemade bomb exploded at 0220 [0520 GMT] in front of the house located at 2049/50 Moreno Street, the home of Heraldo Poet, who runs the restaurant of the Provincial Athletic Club and of the Rural Society.

The explosion made a 30-centimeter hole in the door of a garage and damaged a Renault 18 car parked inside. It has also been reported that a small fire was started, presumably due to a short circuit in the electrical system of the house.

The people who live in the house have so far refused to speak with the press. Thus, it is not known whether the inside of the house was damaged.

Brazil

Sarney Discusses National, World Issues
PY190004 Rio de Janeiro O GLOBO in Portuguese 17 Oct 87 p 8

[Interview with President Jose Sarney by "special correspondent" Cida Fontes at the Casa Amarilla in Caracas, Venezuela; date not given]

[Text]*O Globo*: How do you view the results of your trip?

[Sarney] I think history will be fair to us, it will show Brazil's Latin American integration. Brazil's presence in the region today is different. However, with the upcoming summit conference in Mexico, we are going to fulfill the political integration we began in the south with Argentina and Uruguay. We are beginning this integration in the north with Venezuela, and we have already done it with Mexico. I consider this a very important step in our country's development. Yesterday, President Lusinchi said that Brazil's position is changing the international view of Latin America. This is the most important fact in current world policy. *O Globo*: Is it possible to extend the common market to nothern Latin American countries and create a single currency?

[Sarney] We are beginning this, and when something is only beginning it is hard to see where it will end. This beginning is having great success. We are obtaining many achievements. My visit to Venezuela has a political and an economic objective, both of which are very important to us.

O Globo: What is your opinion of the proposal to create a Latin American reserve fund?

[Sarney] Brazil and Argentina have already done this and the success was so great that in 1 year we doubled our trade: from $200 million to $400 million. I believe Brazil, Argentina, Venezuela, and Mexico have many products and this facilitates perfect integration. If we are politically willing to integrate, we will surely have a very important future mechanism of defense and construction. This is a very important step, and after our initiative we see that the United States is doing the same thing with Canada. A common, single currency would be very difficult to achieve, but trade currency, as we currently have with Argentina, is a possibility. We began our integration in the south, but we will be open to all Latin American countries. We are going to open integration slowly, firmly, without demagoguery, rather with a desire to build a definite project.

O Globo:While Brazil is worried about a Latin American market, the United States, Canada, and Mexico are opening their borders. Will this create difficulties in terms of trade balance?

[Sarney] I think this is the consequence of the Brazilian position in trying to create a Latin American common market. We are beginning to build a historic stage. We are not a great power, and we have no hegemonic pretentions; what we want to try and achieve is complete integration. Brazil has been looking across the Atlantic Ocean too much, toward the developed countries. We want to be a developed country—even if we are near the bottom of the list—but we do not want to be an underdeveloped one. We want to grow together with everyone else to create a new economic order. *O Globo*: Was the speech you gave yesterday a message to creditors on the eve of renegotiations?

[Sarney] Brazil is a large country, and its problems cannot be treated with a political or passionate approach; only with reason. This is our position, and we are respected internationally for it. Only those who have private interests do not want negotiations to be conducted in this spirit. Regarding the debt, our position is reasonable and respectful. When I said, here in Venezuela, that we do not agree with the debt, it is because developed countries have now increased interest rates to 21 percent, which has increased our debt by almost 30 percent [as published]. This is not fair. Brazil must assume its position with absolute seriousness, with no political connotations, coldly, but within a framework of great responsibility. *O Globo*: Will the domestic political situation interfere in the renegotiations?

[Sarney] the view of Brazilian politicians has not reached the level of Brazil's international position. The politicians have not understood that the country has made a courageous decision. Only outside of Brazil can we better assess our position.

O Globo: The United States is studying Brazil's position regarding data processors. Do you fear retaliation?

[Sarney] Data processing is a sector in which we have been in a position of confronting some giants. We are prepared to face that battle. However, we hope developed countries will understand Brazil's position, which is just and clear.

O Globo: Is the object of the November meeting in Mexico to set a common position regarding the Latin American foreign debt?

[Sarney] I am concerned about this presidents' meeting. From the outset, I told the presidents of Latin American countries that we cannot fall into rhetoric, and we are working on this. We have work groups organized here in Venezuela, in Brazil, and in Argentina, each group working on a specific point in order to achieve unity in future procedures. Essentially it is an important step because we are going to have a new Latin American forum of all our countries to deal with our own problems. I think Brazil is engulfed in day to day activities and does not see the overall prospect we are opening in terms of international policy.

O Globo: You have repeatedly expressed the need for investments in the country, and recently you received a group of Japanese businessmen. Is there some initiative in this regard, or is the country's financial situation making it difficult?

[Sarney] Any transition is traumatic, difficult. It is not achieved easily. We are experiencing a transition of this nature. My contribution is the balance I have been trying to maintain. Obviously, some are not noticing it. At this moment, investors are looking for something called confidence. They are pretty surprised by the situation which, instead of being hopeless, is showing great vitality. They are scared of this. However, Brazil is a country that has never hurt anyone. It is a great market and represents the future. One example: You mentioned trade balance, and this month we are once again achieving a record, which shows our powerful structure. In the beginning of the year, we had a $100 million surplus, and now we have $1.47 billion. This surplus is not achieved overnight, we have achieved this because we have a consolidated structure in Brazil. This is what everyone should see, not only the negative side. *O Globo*: Is there some risk of political destabilization?

[Sarney] I read in a newspaper from Venezuela, which is one of the most stable countries in the continent, that the destabilization danger is always present in all Latin American countries. Why? Simply because if we do not have a good policy generating a good economy, we will have a bad policy generating a bad economy, generating social problems which will certainly unleash institutional problems. We do not want this and have, therefore,

made a tremendous effort to guarantee a peaceful transition, so that I will be able to present a country ready to implement a full democracy.

Sarney To Change Status of Military Household

PY192341 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 87 p 6

[Text] Caracas—President Jose Sarney already has the support of Army Minister General Leonidas Pires Goncalves to change the current military structure of government, eliminating the ministerial **status** [published in boldface] of the Military Household, the Armed Forces General Staff, and of the SNI. They will reportedly become advisory organizations to the Presidency. The Civil Household will also be changed into a private secretariat.

This report has been revealed by a congressman who is accompanying President Sarney on his trip to Caracas, and it shows the military officers' intention to cooperate with President Sarney's personal effort to streamline the state's administrative apparatus. In this way the president will begin to reform the Planalto Palace, by "Putting his house in order," quoting the congressman who received the information directly from Gen Pires Goncalves.

According to Gen Pires Goncalves, he Army, Navy, and Air Force are capable of developing policies for the country's security and order by themselves.

The congressman termed this action by the military sector as a gesture of goodwill and self-denial. This decision explains the statement by Sarney and his advisers that the reform process will start tomorrow.

Army Sees No Coup in New Army Organization

PY210249 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 87 p 6

[Text] Brasilia—There is absolutely no possibility of a military coup and the Army sees no indications that a coup might happen. The military ministers are engaged in their professional activities and in the tasks of their own forces, in an effort to give all the necessary support to President Sarney in the difficult economic situation the country is experiencing." This was the official reaction of the Army's Communications Center on being consulted about the activities of rightist groups which, according to to *Jornal do Brasil*, are represented in an organization called the Brazilian Association for the Defense of Democracy (ABDD), headquartered in Brasilia. This organization reportedly includes retired military officers and some active-duty officers, in addition to some civilians.

The official Army opinion of the ABDD coincides with that of the ABDD founders: "It is an organization of retired officers and of civilians, with no political leanings, and it is not linked to any political party."

Bresser Pereira Discusses Wall Street Drop

PY201213 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 20 Oct 87

[Text] Speaking during a meeting with Parana businessmen in Curitiba, Finance Minister Luis Bresser Pereira said yesterday that the inflation rate for October should reach 8 percent. He said businessmen must have faith in the recovery of the economy, and they must increase their investments, because the sector's low investment has harmed Brazilian development. Bresser explained that after the implementation of the macroeconomic plan the inflation rate dropped, the number of bankruptcies decreased, and industrial production—which had been growing since March [as heard]—underwent considerable growth in September.

Bresser, who believes the worst part of the crisis is over, is concerned about the New York exchange drop. The minister's concern is caused by two factors: First, the drop can cause interest rates to rise. Today, about 70 percent of the Brazilian foreign debt is adjusted following the fluctuation of the interest rate. Second, because it can be a signal of the U.S. economy's performance. Bresser believes that a poor performance by the U.S. economy can harm Brazil and other countries. This information has been supplied by Finance Ministry press official (Geraldo Moura), who talked with the minister in Curitiba, where Bresser stayed on Monday.

(Moura) added that the minister several times talked on the phone to the United States to learn about the reasons for the New York stock exchange drop. In the tense atmosphere prevailing in the United States, Fernao Bracher, special adviser on foreign debt affairs, and (Antonio de Padua Sedas), Central Bank foreign debt department director, are in New York continuing the negotiations on the Brazilian foreign debt.

Minister Bresser Pereira reaffirmed the Brazilian Government's position that the moratorium will not be suspended, and that a symbolic [as heard] payment will be made only if significant progress is made in the negotiations.

Treasury Reports Cash Flow Deficit, Cash Surplus

PY170307 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 87 p 24

[All figures as published]

[Excerpts] The financial operations of the Treasury registered a cash flow deficit of 25.2 billion cruzados in September, resulting from liquid tax revenues of 108.3 billion cruzados versus expenditures of 133.4 billion cruzados. September was the worst single month in cash flow in 1987, the second worst being June, when a deficit of 24.0 billion cruzados was recorded. The 9-month

accumulated Treasury deficit currently totals 51.8 billion cruzados. These figures were reported yesterday by the financial program secretary of the National Treasury Secretariat, Jose Ribas Neto. [passage omitted]

The Treasury, which has more than enough cash resources (116.7 billion cruzados) to cover the September deficit (25.2 billion cruzados), has additionally received from the Central Bank 33.9 billion cruzados from the sale of government securities (National Treasury Notes and Central Bank Notes) plus 12.0 billion cruzados from external relending operations (resources that have not been used for the amortization of the Brazilian foreign debt principal), for a total of 45.9 billion cruzados (33.9 plus 12.0 billion cruzados). Therefore, the Treasury has now 137.4 billion cruzados in available cash resources (116.7 plus 45.9 minus 25.2 billion cruzados). [passage omitted]

New Foreign Debt Conversion System Analyzed
PY191156 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Oct 87

[Text] Planning Minister Anibal Teixeira is studying new proposals for the conversion of the Brazilian foreign debt. Such proposals involve major changes in the formulas that have been thus far considered.

One of the major innovations is the encouragement of the idle industrial sectors, like the contractors, which can receive credits in cruzados through financial operations performed in dollars by the creditor banks. This will allow the contractors to work on projects in Brazil or abroad.

Avibras Denies Selling Weapons to Libya
PY201303 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 87 p 5

[By Moises Rabinovici]

[Text] Washington—Avibras [Brazilian Aerospace Industry] Director Pedro Angelo Vial stated in Washington yesterday that U.S. concern about Brazilian missiles that was expressed in a document prepared for the U.S. Congress is entirely "groundless." The document, which was prepared by the Congressional research service under the direction of eight experts in various fields, suggested that Avibras was obtaining technology on liquid fuel from the PRC in exchange for weapons and for its own technology on solid fuel. "Avibras has not purchased this type of technology from anyone. We have been producing solid [as published] propellant for the last 25 years. We have not signed any agreement in this field with the PRC or any other country," Vial said.

According to the document submitted to the U.S. Congress, liquid propellant gives missiles more accuracy than solid propellant. Vial doubts this theory. "This is controversial. In the case of area-saturation rockets [foguete de saturacao de area], the best answer would be solid fuel," he said.

Another statement contained in the report, entitled "The Proliferation of Ballistic Missiles Among Countries That Are Not Military Powers," which is rejected by Vial, is that some Astros rockets that have been sold to Libya may become part of the Iranian arsenal, thus causing the United States security problems in the Persian Gulf and the Middle East, because Brazilian export policies do not prevent Brazilian clients from passing weapons to other countries. "Avibras did not sell Astros rockets to Libya. It did not sell anything.[sentence as published] Avibras only sells its products to the various countries with authorization of the Brazilian Government," he added.

"The company is developing a new project: the SS-300 rocket, which has a 300-km range and a 1-ton payload, to be filled with conventional explosives, not nuclear ones," Pedro Angelo Vial said, deeming the U.S. fears exaggerated. Avibras Director Vial was surprised at the contents of the document prepared for the U.S. Congress, which was published by *O Estado de Sao Paulo* on 13 October.

Vial stayed in Washington until yesterday, when he left for Miami on his way back to Brazil. In Washington he took part in a weapons exhibition organized by the Association of the U.S. Army [AUSA].

"We are the only representatives of the countries below the equator," he said proudly, while standing inside the small booth no.. 4404, amid the enormous and exclusive exhibition that occupied the whole Washington Sheraton Hotel, where the IMF and the World Bank held their yearly meeting 2 weeks ago. The same rooms in which 5,000 bankers from all over the world strolled a few days ago have been filled since 11 October with thousands of military officers. Avibras has been invited to participate in the AUSA fair for the last 3 years. This may indicate that, in addition to being respected for its advanced technology, Avibras may also become a U.S. Army supplier. Pedro Angelo Vial expects that by exhibiting its products next to the most famous companies in the world, and by receiving "a competitiveness certificate [atestado competencial] from the United States," the Brazilian company will win other international clients. The Avibras booth is exhibiting the Astros rocket, the same one that placed Avibras in seventh place among the biggest Brazilian exporters during the January-July period, with a total of $190 million in exports.

Rapid Deployment Strategic Air Units Planned
PY201222 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 87 p 2

[By Helio Contreiras]

[Text] Rio de Janeiro—Brazil will create a new elite unit—the Rapid Deployment Force—which as of next

year will be able to deploy 2,000 men, fully armed and equipped, to any part of the national territory. The plan, which has already been approved by the Army and the Air Force staffs and by the Army and aeronautics ministers, has a great advantage, according to these two ministries: It will not require great expenditures, despite being a defense instrument for exceptional circumstances. The first details about the new force were reported yesterday exclusively to *O Estado* and *JornaL da Tarde.*

High-ranking Army and Air Force sources remarked that without a high degree of professionalism the Rapid Deployment Force would not be feasible. Its objective is to allow quick deployment of paratroops and airborne forces to any location in Brazil. It will be an elite unit, and its purpose will be defined by the ministers and the president of the Republic.

The force will be equipped with the 4 Boeing 707's bought by the Brazilian Air Force [FAB] from Varig airlines, and 14 C-130 Hercules airplanes, besides other aircraft that will be used to guarantee the best resources for the new elite unit.

In order to increase the operational capability of the force, the Aeronautics Ministry is already planning to make adaptations to the Boeing airplanes so they can transport 300 men. This adaptation, together with the transport capacity of the D-130 airplanes, will considerably increase the strategic strength of the Rapid Deployment Force.

Regarding the Strategic Air Command, also exclusively reported by *O Estado de Sao Paulo* and *Jornal da Tarde*, Aeronautics minister Octavio Moreira Lima confirmed it is part of a new strategic plan he studied with other FAB officers during a confidential meeting at the Campo dos Afonsos Air Base in Rio de Janeiro.

The Strategic Air Command will seek to conduct a thorough study of the necessary measures to accomplish its mission, that is, to become a unit capable of carrying out strategic air missions and strategic air reconnaissance.

The plan foresees the purchase of six more Bandeirante airplanes for the Calha norte project (in Amazonia) and the purchase of 10 Bandeirante Patrol Planes. The F-5 airplanes will be modernized.

PMDB Governors Meet To Express Support for Sarney
PY192257 Rio de Janeiro O GLOBO in Portuguese 18 Oct 87 p 5

[Text] The PMDB governors needed more than 10 hours to draw up a final document defending a 5-year presidential term for President Jose Sarney and the maintenance of the presidential system of government, at least until the current administrative term ends. The governors were clearly divided: on one side, those headed by Minas Gerais Governor Newton Cardoso demanding an announcement clearly stating their position regarding these two issues; and on the other side, those who wished to maintain the PMDB executive board's position of not specifying anything about the presidential term and the government system.

The division among the governors was clear during the dinner hosted by Rio de Janeiro Governor Moreira Franco the night before the governors' meeting. However, they had one point in common: they would reiterate their support for President Jose Sarney. They were disagreeing over the terms in which their support would be expressed, regardless of the presidential-term issue.

The different positions were clearly presented. On one side was Minas Gerais Governor Newton Cardoso, who emphatically demanded a firm statement defending the presidential term and government system, and on the other side was Alagoas Governor Fernando Collor de Mello, who does not agree with the 5-year presidential term, which Sarney wants. The heated debate was witnessed by PMDB President Ulysses Guimaraes, then acting president of the Republic. Sao Paulo Governor Orestes Quercia sided with Cardoso, while Governors Pedro Simon of Rio Grande do Sul and Miguel Arraes of Pernambuco sided with Collor de Mello.

The dinner lasted until 0300, and no agreement was reached. Therefore, it was necessary to form a group to prepare a basic text of the document before the governors' meeting. A meeting then took place in the Leme Palace Hotel among Ceara Governor Tasso Jereissat; who represented those who favor a 5-year presidential term; Federal District Governor Jose Aparecido, representing the "Sarneyites;" Rio Grande do Norte Governor Geraldo Melo, representing the "moderate" faction; and Pernambuco Governor Miguel Arraes, representing those who did not want the presidential term issue to be mentioned. They debated for more than 2 and 1/2 hours until they decided on a text which was approved by the rest of the governors with one abstention, that of Alagoas Governor Collor de Mello.

"The essential thing is to defend democracy," Pernambuco Governor Miguel Arraes said, as he expressed satisfaction with the final document. According to his interpretation, the note, which was released yesterday, is in keeping with the guidelines of the PMDB executive board stressing the sovereignty of the National Constituent Assembly.

In turn, Minas Gerais Governor Newton Cardoso interpreted the note as a victory.

"I wanted a more affirmative note, and this was difficult," he said.

He believes a firmer note supporting President Sarney's presidential term would have given the PMDB greater influence within the government.

Did the governors think they would lose influence if they did not support the president more openly?" a journalist asked him.

"Of course, if we do not give him our support it will harm us," Cardoso answered.

Bahia Governor Waldyr Pires, who sided with Arraes, admitted that his group was defeated, but he said they all agreed that the National Constituent Assembly has sovereignty to decide this matter. He said the final version of the document does not contradict his thought.

"The position of those who believe it is necessary to express a position regarding the presidential term and government system prevailed," he admitted. During the 24 hours he remained in Rio de Janeiro as acting president of the Republic, Deputy Ulysses Guimaraes followed all the governor's debates, without expressing himself very much. He participated in the dinner the night before the meeting hosted by Governor Moreira Franco, but he listened more than he spoke. After the dinner debate, he expressed concern over the administrative reform announced by Planalto Palace, especially the possible union between the Social Security Ministry, presided over by his personal friend Raphael de Almeida Magalhaes, and another unspecified ministry. While leaving the Gloria Hotel, where he stayed, to go to the home of Science and Technology Minister Renato Archer, Guimaraes said he was optimistic regarding the result of the governors' meeting that was about do start.

PCB Gives Conditional Support to Government

PY191204 Brasilia Radio Nacional da AmazoniaNetwork in Portuguese 1000 GMT 19 Oct 87

[Excerpts] PCB [Brazilian Communist Party] President Salomao Malina said yesterday in Brasilia that the PCB will continue to support the government in keeping with party guidelines and provided such support is not linked with the length of the presidential term. Malina added that the Democratic Alliance can be rebuilt, and that the participation of society and other parties will make it possible for the government to have the support of a broader sector. The PCB held a special meeting, during which the party promotion campaign and the sovereignty of the Constituent Assembly were also discussed. [passage omitted]

Chile

Ministry Denies U.S. Charges on Letelier Case

PY210110 Santiago Domestic Service in Spanish 2200 GMT 20 Oct 87

[Text] The Chilean Foreign Ministry has categorically denied the charges leveled by the U.S. State Department, criticizing the Chilean Government for a ruling handed down by a court that decided against reopening the case involving the killing of Orlando Letelier.

An official communique, which was released by Uldaricio Figueroa, the Foreign Ministry spokesman, states that the charges leveled by the U.S. State Department demonstrate serious confusion because they disregard the basic difference that exists in the Chilean legal system between the government's role and the role of the courts.

The communique adds that these charges disregard the unrestricted and repeated cooperation by Chile to clarify the events.

The Foreign Ministry communique states that unfortunately this confusion is capable of promoting mistaken interpretations by the public, both in Chile and in the United States, exposing the constructive relationship between the two nations to disturbances, something the Chilean Foreign Ministry believes no one wants.

Concerning the U.S. State Department's statement claiming an alleged lack of interest by the Chilean Government in punishing terrorism, the official communique makes it clear that the Chilean Government condemns terrorism in Chile and abroad, and that no one can question its unyielding decision to combat this scourge anywhere.

The communique adds that the large number of victims in the Armed Forces and in the forces maintaining order and security are painful testimony to this commitment.

In conclusion, the four-page Foreign Ministry communique states that the Foreign Ministry regrets that these statements lend themselves to biased political use by the adversaries of the Chilean Government, a fact that is well-known by the U.S. State Department.

The Foreign Ministry communique concludes by stating that it is only appropriate for the case to be consistently reviewed calmy and carefully.

UN Human Rights Observer's Report Discussed

PY162236 Madrid EFE in Spanish 1208 GMT 16 Oct 87

[Text] Santiago, 16 Oct (EFE)—The Chilean Government has already presented its impressions with regard to the fifth report on the human rights situation in Chile prepared by the UN special observer, Costa Rican lawyer Fernando Volio.

Mario Calderon, Chilean Foreign Ministry adviser for special affairs, told the press that as a result of Volio's last visit to Chile he noted in the document the Chilean Government's cooperation. The document does, however regret the lack of understanding on the part of some authorities of the regime.

Regarding the plebiscite, Volio stated that although he personally would rather have direct elections, under the current circumstances, an open popular consultation would be acceptable.

In this plebiscite, Chileans will have to decide on a single presidential candidate that will be proposed by the commanders in chief of the Army, Navy, and Air Force, and the Carabineros director general.

Opposition political parties and the Catholic Church have questioned the plebiscite and proposed, instead, holding a free, pluralistic election, with the participation of several presidential candidates.

The report Volio will present in November to the UN commission reaffirms the need to investigate reports on mistreatment at Chilean investigative police precincts.

Calderon stated that Volio includes in his report several accusations of mistreatment and unexplained situations, accusations which have been made known to the Chilean Government.

Volio adds in his report that the courts are severely restricted by the stages, or instances, where exceptions apply [defined in the 1980 Constitution as three stages: state of siege, state of emergency, and existence of a threat to domestic order, during which the president has power to banish, expel from the country, ban the right to assembly, and order house arrests], and criticizes the military court for its excessive severity and disregard for procedural guarantees.

The UN special observer mentions Prosecutor Fernando Torres in his report. Torres is investigating four cases: the frustrated attack on General Pinochet, the discovery of clandestine arsenals in the northern part of Chile, the murder of a policeman, and the recent abduction of Colonel Carlos Carreno.

Volio also repudiates violent groups that could be sheltered, as he said, by lower-ranking officials of the regime.

Regarding the press, the report states that the situation is precarious, although it adds that criticisms by some opposition media are almost grotesque.

Volio has asked for the Chilean regime's authorization to visit the country again, but has not yet received an answer from the Chilean Foreign Ministry.

Nationalization Measures in Peru Criticized

PY171628 Santiago Domestic Service in Spanish 0930 GMT 17 Oct 87

[Text] In a communique, the Association of Chilean Banks and Financial Institutions [Asociacion de Bancos e Instituticiones Financieras de Chile] has expressed total solidarity with the Peruvian private businessmen affected by the bank nationalization.

The communique states: Without being disrespectful of the decisions made by foreign countries, we regret and reject the use of force, especially in this case because, according to our reports, petitions filed with the appropriate organizations to review or abrogate these measures are still pending.

The Association of Chilean Banks and Financial Institutions expresses surprise at the Peruvian Government decision to nationalize the banks and financial institutions, bearing in mind that other countries are trying to privatize financial institutions.

In conclusion, the Association of Chilean Banks and Financial Institutions conveys the Chilean bankers' support for Francisco Pardo, the president of the Association of Peruvian Banks and Financial Institutions, and expresses hope that the measures adopted can be reversed by the appropriate organizations because every man has a right to conduct economic activities according to his own preferences, as long as these activities are not contrary to good and accepted morals and customs.

Junta Approves Antitotalitarian Law

PY210213 Santiago Domestic Service in Spanish 2200 GMT 20 Oct 87

[Text] The Government Junta has approved a bill on violations of Article 8 of the Constitution.

The law is designed to keep the democratic system free from any action by any totalitarian movement, regardless of its origin.

This information was supplied by Admiral Jose Toribio Merino at the end of a Government Junta meeting.

Adm Merino said violations of Article 8 will be punishable only by fines and not by prison terms or the death penalty. He added that in the Government Junta's estimation, imprisonment and capital punishment are actually appropriate for cases involving attacks against society.

The bill, sponsored by the executive branch, has been under discussion by the Government Junta since 4 August. The bill establishes the punishments that will be imposed on the organizations, entities, or individuals that support or promote a social doctrine based on class struggle or totalitarian ideology.

PDC Leader Andres Zaldivar Interviewed

PY130205 Santiago ANALISIS in Spanish 21-27 Sep 87 pp 28-30

[Interview with Chilean Christian Democratic Party, PDC, leader Andres Zaldivar by ANALISIS reporter Monica Gonzalez—date and place not given]

[Excerpt] [Passage omitted] [Gonzalez] Do you believe we will have the opportunity to have free elections and decide what will happen after 1989?

[Zaldivar] Anything can happen, including a palace coup led by Pinochet.

[Gonzalez] Are we ready to confront anything?

[Zaldivar] That is precisely what we have to achieve. We have already achieved something very important: the establishment of three committees promoting free elections. I am convinced that within 60 days, we will witness the establishment of a joint operation, and no one will ask what side you are on, whether you are a socialist, a communist, or a PDC supporter. No one will ask if you are supporting free elections or the plebiscite. The only thing that will matter is for people to be against the regime, against Pinochet, against the continuation [of the regime] and in favor of democracy.

[Gonzalez] But it seems that the Army is unmoved by all this, that it is still deaf and blind, staunchly supporting its commander in chief. How do you plan to convince its members?

[Zaldivar] The campaign must gain strength. We will see what happens when rallies are held throughout Chilean cities, and millions of Chileans express support for free elections... It is necessary for the Armed Forces to understand that they risk being defeated. This is why Pinochet is beaten, because he knows he is not the people's candidate. According to the most recent *Que Pasa* poll, he would only win 10 percent of the people's vote.

[Gonzalez] When the PDC called on people to register to vote last March, almost 400,000 people registered. Today there are almost 2.1 million who have registered. Wouldn't you say the campaign has been successful?

[Zaldivar] No, but it is better than I had expected it to be. This is not something you achieve in a single day and then just stand idly by. It is a gradual process that one has to continue working on. We needed a common objective in order to end partisan struggles, and we already have this objective. By the end of December all provincial committees will be operating.

[Gonzalez] And if despite all this effort, the mobilization fails anyway?

[Zaldivar] It means we would have been destroyed as a nation. From then on, democratic political opposition leaders would have to retire. If Pinochet is able to extend his power beyond 1989, it would be up to others to take up the leadership because the country would be polarized. Today, there is a halt to violent actions.

[Gonzalez] Would you leave Chile if this happened?

[Zaldivar] I will stay in my country. But we have to be aware that we are living in dramatic times. I am not saying this because of convictions or ideological reasons but because I have evidence that has been given to me by two important countries that may be involved in what occurs in Chile. I was informed that based on commitments made abroad, Chilean paramilitary groups have not been receiving any logistical support or materiel for several months.

[Gonzalez] What would these commitments be?

[Zaldivar] It is a commitment that expires in 1989. If Pinochet remains in power beyond 1989 through a fraudulent plebiscite, this support will resume. Based on my experience as president of the International Christian Democratic Federation, I can assert that if this happens the more radical sectors will receive the support and sympathy of the entire world. We will have something very similar to what happened with Somoza shortly before his fall. I witnessed this: the money was collected by the CIA and the KGB; the guns used by Nicaraguan youths—who were not Sandinists but who were led by them—were given to them by the CIA and the KGB. After 1989, anything that is done to destroy Pinochet will be approved, even if there is violence.

[Gonzalez] What is your opinion of General Pinochet?

[Zaldivar] I think he is very much underestimated because people believe he is not intelligent, that he is uncouth and a man with little intellectual capacity. I do believe he is uncouth, and that he has a low intellectual level, but he is brutally bold, thus reflecting the branch to which he belongs—the infantry—and its motto: to advance without making concessions. An infantryman never steps back; those who do are surely shot by the comrades behind them.

In this regard Pinochet does not abide by any rules because whatever he does, even in politics, is based on military strategy. This is how he justifies lies, disloyalty, repression, getting rid of the people who bother him. He has no morality whatsoever because he is amoral. He has taken to power like a drug addict takes to drugs. He is dependent on it. This is why I do not think he will ever leave and why if he is not a presidential candidate he is capable of conducting a palace coup. He knows no limits because power has become his very existence."

University Students To Begin 48-Hour Strike

PY201951 Madrid EFE in Spanish 1652 GMT 20 Oct 87

[Text] Santiago, 20 Oct (EFE)—University students in Chile today begin a 48-hour strike as a prelude to the indefinite strike they are planning to start 9 November in demand of solutions to their problems.

According to German Quintana, president of the Student Federation of Chile (FECH), the mobilization hopes to force the resignation of Education Minister

Juan Guzman and the appointed rector of the University of Chile, Jose Luis Federici, and to demonstrate the students' rejection of the University Rationalization Plan.

The Rationalization Plan, drawn up by Federici, proposes a reduction of academic activities through the elimination of some departments.

The appointment of Federici by the military government, presided over by General Augusto Pinochet, has created a situation of total chaos in the university because neither teachers nor students accept him as rector.

According to Quintana, beginning on 22 October students will stage regional demonstrations and will invite the people to participate. The current situation at the university, stemming from the implementation of the so-called Rationalization Plan, will be discussed during these demonstrations.

Regarding Federici's decision to decree the closing of the semester in those departments that are not able to finish their programs by the second half of February, Quintana said that "it is the fourth time that he has threatened to close the semester, but he is just a man of words and not of action."

Quintana concluded by saying that in a recent interview with Federici he could see that the rector, apart from his lack of education, is insecure, indecisive, and fearful.

Professional Schools To Join

PY202109 Santiago Radio Chilena Network in Spanish 1600 GMT 20 Oct 87

[Text] The council of chairmen of departments of the Professional Schools Federation has decided to join the strike scheduled for 27 October, in solidarity with the University of Chile students. The strike has been called by the Medical Association. Each professional organization will choose the way in which it will express its solidarity on that day. However, schools that are involved with or related to the health sector will stage a stoppage, following the example of the medical association.

This has been revealed through a public statement by Juan Luis Gonzalez, president of the Professional Schools Federation.

[Begin Gonzalez recording] The council of chairmen of departments of the Professional Schools Federation has decided to urge all professional schools to join, in their own way, the day of solidarity with the University of Chile. The Medical Association has set the day of general strike for 27 October.

Moreover, schools of the health sector have confirmed to the council their decision to stage a stoppage on the same day, not only in solidarity with the University of Chile, but also to express their rejection of the proposal that would require the holding of university degrees to practice their profession. [end recording]

In their statement the professional schools have stated that the University of Chile conflict has emerged due to the methods of abuse and maltreatment resorted to by Rector Jose Luis Federici.

In view of these measures, the professional schools consider indispensable the removal of Federici from his post. They also consider indispensable the reinstatement of deans, deputy deans, and professors who have been dismissed, and the lifting of disciplinary measures adopted against students.

Editor Indicted for Slandering Students

PY210239 Santiago Radio Chilena Network in Spanish 2200 GMT 20 Oct 87

[By Gaston Saravia]

[Text] Santiago criminal Judge (Carlos Botachi) this afternoon indicted Agustin Edwards, the editor of the newspaper *El Mercurio*, for the crime of publishing slanderous remarks. Two university students had charged Edwards with a misdemeanor violation.

The indictment derived from the arrest of youths Ivan Barra and (Jorge Janas), who were initially charged with promoting the disturbances that occurred on 3 April 1987 at O'Higgins Park during a Eucharist celebrated by Pope John Paul II.

Later, Barra and (Janas) were acquitted by the civil and military courts, and they filed a misdemeanor suit against the morning daily, which on 9 April published their photographs and accused them of being terrorists.

Agustin Edwards faces an arrest warrant issued by Judge (Carlos Botachi), and he has been barred from leaving the country.

Colombia

Defense Ministry Communique on Explosion

PA210330 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 20 Oct 87

[Defense Ministry communique issued on 19 October]

[Text] A terrorist action took place at 1628 when explosives were set off after having been placed in a parking lot sewer next to the ministry's building.

2. [Number as heard] The violent explosion destroyed the windows of the southern side of the building and wounded two noncommissioned officers and two civilian employees of the ministry. The explosion also damaged some nearby privately owned vehicles. Fortunately, the attack failed and did not kill the public employees who would have been leaving the building at the end of the work day or the private citizens who were on official business in that building.

3. This is another terrorist action carried out by the subversives who are promoted by those who try in an anarchic and irresponsible manner to destabilize the country.

4. The public is well aware of who promotes crime and illegal actions, and is the intellectual author of chaos. Therefore, the Republic's Armed Forces vehemently urge all Colombians who want to preserve security, stability, and order to support the fellow countrymen who are defending the democratic system and its institutions.

Five Bombs in Medellin

PA200441 Hamburg DPA in Spanish 2323 GMT 20 Oct 87

[Text] Medellin (Colombia), 19 Oct (DPA)—The police have confirmed that five bombs exploded this afternoon (local time) in the main streets of Medellin, the second most important city of Colombia.

The Medellin police reported that the low-intensity bombs were hurled against a security booth built a few days ago. Several stores in the Medellin business sectors were damaged.

The police reported that two persons were arrested for alleged involvement in the attacks that took place in the downtown area of this city located in northwestern Colombia.

It was reported that groups of demonstrators who were shouting slogans against the military forces carried out the actions.

Peru

Government Announces Expropriation of 5 Banks

PA202256 Paris AFP in Spanish 1653 GMT 20 Oct 87

[Text] Lima, 20 Oct (AFP)—The Ministry of Economy, Finance, and Commerce officially announced today that the government of Social Democrat President Alan Garcia has given instructions to start the expropriation of five Peruvian banks in accordance with a controversial law that nationalizes the private financial system.

The resolutions that ordered the expropriation will effect the following banks: Mercantile, Latin, De Lima, Financial, and Bandesco (Construction Development Bank).

Spokesmen for the bankers, who have openly opposed this presidential project by alleging supposed constitutional violations, have stated that the government could be in for a surprise since, in an attempt to avoid the impact of expropriation, most of the stock in these banks was sold to third parties before the law went into effect.

In response, government sources have stated that "it would not be a surprise if this has occurred" and added that at any moment they will seize these institutions with police forces and government officials.

Bank sources stated that the procedure has changed since the police seized the Credit and Wiese banks and the Credit Financial last Wednesday and then published the expropriation resolutions 4 days later.

The total number of firms that will be affected by this law—promulgated by Garcia on 11 October after a congressional battle with the opposition parties—will be 10 banks, 17 insurance companies, and 6 financial companies.

Together, these firms control no more than 30 percent of the Peruvian financial system, which has been mostly government controlled since the military revolution led by General Juan Velasco Alvarado nationalized Peruvian banks 10 years ago.

Francisco Pardo Mesones, president of the Peruvian banking association and owner of the Mercantile Bank, stated that they [not further identified] reject the nationalization of the banking system and have the support of private business and some political parties of the democratic opposition that believe Garcia's plans are a totalitarian threat.

Ricardo Vega Llosa, president of CONFIEP (National Confederation of Private Business Institutions) accused Garcia's government of having "once again ignored democracy and rights."

He added that "we have a responsibility to generate riches. Without doing this there is no chance for development." Vega also said Peruvian businessmen made a mistake when they stayed away from politics, but this situation has opened their eyes, has united them, and will oblige them from now on to defend their rights "within the law."

Suriname

Council: No Elections in 'Emergency' Areas

FL192016 Paramaribo International Service in English 1730 GMT 19 Oct 87

[Text] The Top Deliberating Council has decided that elections will not take place in the emergency areas. This was revealed to our newsroom by Fred Derby, chairman of the Suriname Labor Party and member of the Top Deliberating Council. Derby said the decision was taken

because the emergency areas are inaccessible for voting activities. As a result of this, the seats in the National Assembly will be reduced from 51 to 41.

The Top Deliberating Council is now discussing the possibilities for a practical solution to the situation as was developed by Derby. The case of the 10,000 refugees in French Guiana, evacuees in Paramaribo, and the possible violation of their rights are being discussed. Derby said judicial experts of his party are studying the judicial consequences of the situation that has developed. For instance, the president will now be chosen by a two thirds majority in the National Assembly.

Elections 'Delayed'

FL201637 Bonaire Trans World Radio in English 1130 GMT 20 Oct 87

[Text] Fighting by rebels will postpone voting in three of Suriname's nine electoral districts during the national elections of November 25. During a congressional meeting on Sunday where candidates for office were approved, National Party of Suriname leader, Henck A. E. Arron, said voting for the National Assembly in the Sipaliwini, Brokopondo, and Marowijne districts, would be delayed because of attacks by Ronnie Brunswijk's jungle commands. The three districts are under a state of emergency.

Mr Brunswijk has tried to overthrow the military government of Lieutenant Colonel Desi Bouterse since mid 1986. The fighting has left at least 470 people dead in Suriname. Voting for the 51-seat National Assembly will be the first election since 1977 and they are aimed at replacing Mr Bouterse's government.

Bouterse Rejects Postponement

FL201851 Paramaribo International Service in English 1730 GMT 20 Oct 87

[Text] Government leader Bouterse is of the opinion that elections must be held in the Marowijne, Brokopondo, and Sipaliwini districts next month, thus opposing the decision made last Saturday by the Top Deliberating Council to postpone polling in these areas until the fighting is over.

Bouterse, in a letter to the Top Deliberating Council, yesterday announced that he as leader of the government cannot execute this decision because it is unconstitutional. It is the right of all Surinamese living in Suriname to participate in the election and the government must see to it that everyone can exercise this right, he said. Special measures will be necessary for the three emergency areas to make voting possible, and the government leader said he is open to all suggestions from the Top Deliberating Council on this question.

The Top Deliberating Council has reacted with astonishment on the standpoint of the government leader Desi Bouterse. Consensus has been reached on the decision to postpone elections in the three areas until a later date. Further, the Top Deliberating Council is of the view that Bouterse arrived at this decision without consulting the government and that a series of practical circumstances are making voting in these emergency areas impossible next month.

After Bouterse stepped out of the Top Deliberating Council in August, Prime Minister Jules Wijdenbosch has taken over full responsibility of coordinating the meetings of the highest decisionmaking body. The Top Deliberating Council will meet today to discuss the standpoint of the government leader.

This morning, Bouterse informed the president about these developments. When this newscast was made their discussion was still going on.

Suriname Labor Party To Publish Program

FL201949 Paramaribo International Service in English 1730 GMT 20 Oct 87

[Text] It is written in both the law on political parties and the ballots act that political parties which contest the elections are obliged to publish their programs. This was stated by Fred Derby, chairman of the Suriname Labor Party, during the installation of the board of his party's youth arm. Voters must know what your ideals are and what policy you are going to execute, said Derby.

He was reacting to remarks by the old political parties, which said they will present their programs after the elections and who are calling on voters to support them on the basis of trust. According to Derby, they herewith pass the laws and behave antisocial [as heard]. He called on the youth to study the programs of the parties and take note of the solutions they present, especially to the youth problems, the war situation in the country, the position of the military after elections, the cooperation between the military and the workers, and the question of employment for youth. Derby said all these are contained in the program of the Suriname Labor Party, which will be published in the near future.

Foreign Currency Allocation Plan Criticized

FL201340 Bridgetown CANA in English 1804 GMT 19 Oct 87

[Text] Paramaribo, Suriname, Oct 19, CANA—The Association of Suriname Manufacturers (ASFA) has criticised the government's policy for allocating foreign currency.

The system for foreign currency allocation, the use of credit lines and the issuing of licences for the importation of finished products instead of raw materials, make it impossible for local manufacturers to function, the ASFA told officials of the Ministry of Transport, Trade and Industry.

The association, which has proposed changes to the government, said it can no longer sit back and allow the people to continue living under the present circumstances while a small group fattens itself and jobs are being lost.

It said if the government does not solve the chaotic economic situation, it will be forced to join with the workers to take whatever step is necessary.